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NEWS SUMMARY

BUSINESS

may

sell

Consortium.

production.

The Kuwaiti contracts, for

40,000 barrels a day, will only cover about 10 per cent of the

shortfall in crude, but it is hoped that other producing countries may be persuaded to follow Kuwait'a lead. Back Page

rise to more than filhn if BP's

plans for additional tanks, numps and a fifth jetty are given

the go-ahead. Back and Page 4

• PEMEX, the Mexican state-

today representatives of 35

European companies, including

GONSUMER CONFIDENCE

has heen sharply affected by the

wave of industrial unrest according to the latest Financial

Times survey today. The index of "future con-fidence" has fallen to -27 per

cent, the lowest level since the

late 1976 sterling crisis, Some 41 per cent of consumers surveyed expected conditions to

worsen, while only 14 per cent

• MOST EMPLOYEES now signing pay deals are getting more than the Government's

basic 5 per cent pay limit,

according to figures released today by the CBL The Con-ficderation's data hank shows that most of the L6m people

were optimistic. Page 3

the unions.

BY MARGARET VAN HATTEM

suggest that abolition of the

currency

demanded by France during the

negotiations for a monetary system, would have a far more

dramatic effect on farm incomes

than on member countries' hal-

ance of payments, if existing

Kuwait

GENERAL

Funding for new Europe missile

The U.S. may deploy in Western Europe nuclear missiles capable of striking deep inside the Soviet Union. "Study funds" have been set aside in the 1979-80 defence hudget due out today. The

installation of such missiles would be a major change from policy. Current American missiles in Europe have a maximum range of 450 miles.

Development of the new • GONSTRUCTION cost of Sullom Voe oil terminal will weapons is cited in Washington as one of many defence budget measures aimed at strengthening the U.S. commitment to Europe. Page 2

Race halted

The Argentine Grand Prix was owned oil company is to meet stopped 30 seconds after the start wheo the McLaren of Irisbman John Watson lost a 23 from Britain to discuss the importation of oil and gas equipment for exploration and tyre. A number of other drivers were forced off the track includ-ing Andretti of the U.S., Lauda (Austria), Scheckter (SA) and Tambay and Pirom of France. Brazil's Piquet was slightly hnrt. Jacques Laffite of France, won the race.

'Spies' held

West German security anthori-ties carried out one of their largest counter-espionage operations in recent years, when information from an East German defector led to the arrests of at least five people connected with a nuclear research establishment at Karlsruhe. Page 2

Freighter probe

As the first Vietnamese refugees came ashore in Hong Kong from the freighter Hney Fong, the captain and crew were being questioned by police. Hong

Government plans public sector pay norm of 7-8% more oil

BY PHILIP RAWSTORNE

No. 27.770

The Government intends to make a determined stand against the public • KUWAIT. which has for some time refused to sell any service workers' campaign of industrial action, which begins today, in an attempt to save its anti-inflation policy from complete destruction. extra crude oil to compensate for the shortages caused by the Iran crisis, is considering special short-term contracts with Shell, BP and Gulf, Kuwait's three blggest custo-mers and members of the Iran Consortium

Ministers, admitting that the of interim awards from com-base server and the ser "I am certainly not in favour

about 7-8 per cent. Mr. Peter Shore, Environment Secretary and Minister responsible for the 1.5m public of trying to rush this serious exercise. I am certainly not in favour of back-paying on that. It simply stokes up inflation," service workers, said yesterday: "It would be a total folly for the he said. "We've lost the (5 per cent) Government to give up in these

hattle but we've not lost the war against inflation." parts of the public sector know-ing that this might be the sig-nal to others— like the miners Government surrender Α

-with far greater power." The 7 per cent offered by the Government would have to be would mean that any benefits to the low paid would be wiped out within a few months, public the basis of settlements in the spending would be curtailed public services, he declared. and unemployment would in-Mr. Sbore's stand was strongly crease.

reinforced yesterday by other The pay round was still in its Cabinet Ministers, Mr. Michael Foot, Leader of early stages and, while doing its best to avoid confrontations, the Commons, said that the the Government was not going Government was resolved to conto give up the fight.

> The Gahinet's emergency committee under Mr. Merlyn Rees, Home Secretary, will meet today to review the first effects of the public services' industrial campaign as well as the transport strikes.

determination to hold the line as close as possible to its The new Prices Bill, which original 5 per cent "whatever forms part of the peace package the tranmas, damage and announced by the Prime Minister last week, will be in-

Mr. Shore, in an interview troduced in the Gommons in with ITV's Weekend World, the next few days, firmly ruled out the possibility Christian Tyler

EEC counts the cost of

ending green currency

green currency issoe.

committee.

One union leader said yesterday that the Government had to find the political will to move further towards meeting the demands of local authority and health service manual workers

if it was to restore order. Led by Mr. Len Murray, TUG general secretary, the unions are likely to impress on the Government the nrgency of a new accord on collective bargaining more in line with TUC policy to ... prevent further industrial disorder of the kind seen last week.

Some union leaders were cautiously optimistic that negotiations for the public service workers were looking flexible enough to prevent protracted industrial action. A campaign of selective strikes has been prepared to follow to-day's national one-day stoppage and

demonstration. Today's meeting at Congress House is not expected to pro-duce any great initiatives, since the committee's main role is to. discuss longer-term economic and social policies under the umbrella of the social contract. A report on the industrial scene will be made, however, at this afternoon's regular meeting

he next few days. of the TUC's own finance and Christian Tyler writes: TUC general purposes committee.

as miners By Christian Tyler, Labour Editor A DEMAND for a formal pay A DEMAND for a format pay inquiry, to give railway-men rises comparable to those won by miners and power pay inquiry, to give railway-workers this year, is being considered by the National

seek same

pay rise

***15p

Union of Railwaymen.

This emerged as a last-minute attempt by British Rail to avert tomorrow's oneday strike hy train drivers appeared to have failed.

Mr. Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen, said

Lorry strike effects Page 4. Denning book 'Page' 5. Justi-nian Page 10. Editorial Comment Page 12. CBI pay study news of lorry drivers and public service workers' disputes Back Page. and

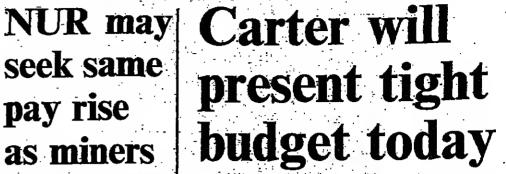
the Board's invitation for allunion talks today seemed to he another attempt to submerge the 10 per cent bonus claim in the general 1979 wage bargaining.

He described the position as "very serious." ASLEF's executive would today be considering further industrial action to follow tomorrow's strike.

Mr. Sid Weigbell, general secretary of the National Union of Railwaymen, said he could accept the heard's invitation only if the talks elaim and not ASLEF's separate demand for an immediate 10 per cent producfivity bonus.

When the general negotia-tions start, Mr. Weighell plans to put up the comparability taken "A small step towards restraint when we need a giant leap." He compared the budget argument because the Prime Minister had offered public to a package of hacon in the supermarket sinch the fat was only evident when the package was opened. service workers a formal link-with outside industries.

He said a formula of the kind produced by the Guille-band inquiry for railwaymen,



BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

inflation is such that the spend-

ing growth in real terms will be negligible.

Given the fact that Mr. Carter

disadvantaged had been met and that additional funding had

been found for the poor and for joh creation.

Criticism of the budget is not

Small step

PRESIDENT CARTER will strong dose of fiscal medicine to oday present to Congress a help cure inflation and that the lean and tight" budget for patient will not lapse into re-

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and nscal year beginning in cession as a result. October designed to demon-strate his commitment to officials recently have given fighting inflation. The President disclosed at tions underlying the budget omecans recently have given hints of the economic assump-tions underlying the budget. Real economic growth is pro-jected in the 2-21 per cent range for the current calendar year, which would be a reduction from that the budget deficit had heen reduced to about \$22bn, or about \$1bn under the estimated sbortfall for the current fiscal year. the 3.9 and 4.9 per cent respec-tively of 1978 and 1977. This would be enough, it is believed to prevent unemployment from Overall Government spending,

Administration officials have said in recent weeks, will rise to just over \$530bn, an increase in nominal terms of over 7 per cent compared with the current. rising excessively. The Administration's opti-mism in this regard stands in ¹ contrast to the opinion of many private economists who predict an ontright recession, although year However, the impact of there is disagreement about its timing and severity.

Weak dollar

has said that he is determined to fulfil his pledge to the NATO alliance and increase defence A reduction in growth, if A reduction in grown, it associated with greater expan-sion among the major trading-partners of the U.S., should bring, about an appreciable reduction in the external U.S. payments deficit. This could contribute to relieving one of expenditure in real terms by 3 per cent, the budgetary are has descended most sharply on domestic social programmes. With defence accounting for nearly one-quarter of all U.S. Government spending, the extent of the social cuts has the fundamental factors that has already prompted a fair amount weakened the dollar. of criticism. But the President maintained at his Press con-ference that the needs of the

The Administration is also assuming an inflation rate of approximately 7.5 per cent for the present year, about one percentage point below that

recorded last year. A year ago, it severely under-estimated the rise in the cost of living, but it now has more policies at work combating inflation including an austere likely to be confined to the budget. The budget naturally, liberal wing One conservative Republican, Senator William Roth of Delaware, said at the weekend that the President had takers "A small stor toward

likely to be focused on the details of the defence budget. It is expected that it will include substantial additional funding for major strategic weapons programmes, such as the MX mobile missile system,

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tinue its fight against inflation and would not be panicked. The country had seen the disastrous effects of a wages Emergency

free-for-all. The most sensible approach would still be through agreement and co-operation with Another senior Minister said the Cabinet was united in its determination to hold the line

Kong allowed the ship in after it had anchored offsbore for a month but the captain could face four years in jail for carrying unscheduled passengers.

Murder charge

A teenage boy was charged with murder at Corringham, Essex, after a fire in which two of his brothers and two foster children died. The boy's mother and two other children survived the hlaze.

Sithole optimism

executive, predicted that the war would subside after the oneman, one-vote elections scheduled for April. Patriotic Front leaders bave said they will sabotage the poll.

Security march

Nearly 3,000 people marched to the Texaco depot on Canvey Island, Essex, demanding inreased security following the IRA bomb which damaged a storage tank last week.

Now it's fog!

Thick fog replaced snow and ice as Britaio's main weather hozard, with numerous flights cancelled at London Heathrow airport. The M4 was among roads on which speed restrictions were made.

Briefly . . .

Girs aged three who went missing on Saturday was found dead, in Derby. Six people were hurned to death in a fire near Cadiz, Spain.

attempt to win the Singapore Lion Gity Cup failed. He finished third. Troops loyal to Premier Pol are resisting the Vietnam-invasion of Cambodia still (Kampuchea).

Winner of the £75,000 Premium Bond prize lives in Surrey. No.: 5FZ 451300.

CONTENTS OF Overseas news	TODAY'S ISSUE Arts page 11 Leader page
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U.S. economy on the eve of Carter's budget message 23 FT SURVEY ELGA: Water treatment on Arab construction

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now covered by 537 pay deals exceed the limit either hy using the White Paper's exceptions for low-pay or productivity deals, or by ignoring the rules altogether. Back Page

GOVERNMENT'S public spending plans are being spending plans are being examined by an all-party com-mittee of MPs which hopes to enlist the help of a wide range of academic and Gity econo-mists. During a number of public bearings at the end of the month, senior Treasury officials will be questioned about the economic background and

The Rev. Ndabaningi Sithole, a detailed plans in the recent member of Rhodesia's ruling expenditure White Paper. Page 3 **B MORE FINANCE** is likely to

be available for industry this year, according to Gity stock-brokers Wood Mackenzie, who forecast that 1979 should see the opportunity for funding more industrial investment. Page 3

• THIRD attempt to negotiate a new Ioternational Wheat Agreement, to control world wheat prices, hegins in Geneva today. Back Page

the jobs of thousands of workers in the West, according to a CMWU booklet philished today. **Back Page**

cbemical plants bave been forced to close over the last few death in a fire near Cadiz, Spain. producers are suffering from Jockey Lester Piggott's fourth serious overcapacity. Page 3

onwards. Page 4

• BARTER deals with Eastern Europe by multinational chemi-cal companies could put at risk TEN EUROPEAN petro

months because of a series of accidents, technical faults and industrial disputes, but pro-ducers claim that the effect of the closures bas been to tighter up markets where base chemical

platform.

• AN £84m acceptance credit is being put together hy a group of City banks as part of a new acheme to finance the vehicle stocks of BL dealers. The deal is one of the largest ever floatd in the City money markets and will provide BL dealers with credit finance from next month

hut insists that EEC prices of prices were unchanged. However, the EEG's hudget costs would rise markedly. Germany is seeking means of much pain. In the UK, food costs for the protecting its farmers' incomes, consumer would rise by about ncluding possible compensation fibn, but only f300m of that from EEG funds. would represent the higher cost of food imports, now subsi-dised. The rest would go to

system,

The impact on the EEG's budget arises from the fact that official EEC prices expressed at the British food industry. current exchange rates are 71 per cent higher than the aver-In West Germany, where substantial food exports are made possible by the subsidies, the

statistics snggest that if prices age prices would stimulate extra

but existing exports would earn outstrip the estimated £290m Gundelach, EEC farm com-£300m more, thanks to the net annual saving by cutting out missioner, is expected to make abolition of monetary compen- the existing monetary compensa- an important statement on the satory arrangements, which act tory amounts.

UNPUBLISHED EEC statistics as a levy on low-cost exports. The cost of subsidies for Those figures clarify some of community food exports to nonthe issoes in the three-cornered EEG countries, £1hn annually, disoute between France, West would also rise.

If the green currency system Germany and the UK over the were phased out very gradually during prolonged EEC currency Britain is to some extent resigned to losing the protection stability, the weak-currency of the scheme sooner or later, countries might be able to absorb the costs and strongproducts now in large surplus currency countries to lower are unrealistically high. West their farm output without too

That is much to ask. .: Thestruggle to reconcile France, Britain and West Germany to open the way for introduction of the European monetary system and for negotiation of this year's farm price review does not appear to be near resolution.

It is likely to dominate an informal meeting of EEC farm ministers attending the green week, a big annual farm and food fair, in Berlin later this week when Mr. Finn Olav Gundelach, EEC farm com-

Khomeini's plans for return arouse fear of new clashes

BY ANDREW WHITLEY IN TEHRAN

THE PLAN of the Ayatollah Ruhollah Khomeini, the Iranian religious leader, to return home next Friday after 14 years in exile bas aroused fears that still further divisions may be provoked in the country.

A leading Opposition politician close to the 78-year-old Ayatollah admitted that he was "astonished" that Khomeini

was returning so soon, before the delicate negotiations between Khomeini's emissaries and Army generals had reached any conclusion

On hearing the news at the weekend, Mr. Shahpour Bakhtiar, the Prime Minister, restated his determination to stay in office on the grounds cities. that he was the country's legitimate authority.

In any hnt highly abnormal circumstances, Shi'a Moslem leaders do not criticise each officials.

One reason given here for early return of the Ayatollah is that his associates feared that But in response to Khomeini's the longer he stayed away the greater the divisions in the derogatory description of the most senior religious leader in Iran, Ayatollah Kazem Sbariat-Opposition would become.

Madhari, at Qom. as "a moder-Members of an Islamic revoate in the American sense of the lutionary council to run the have been encouraged hy the word," he retorted yesterday that if this were so, then Khomenini was "an extremist in the same sense."

In Tehran about 10,000 Left- Among them are likely to be his absence to give up their wing demonstrators, students two Tehran religious leaders seats and functions to make way and workers, ran through the close to Khomeini, and Mr. for what he called the "troe streets tearing down pictures of Mehdi Bazargan head of a representatives" of the people.

the Opposition leader and clash- small radical party. In recent days several groups opposed to possible exchange of monarchical dictatorship for a theological one have begun to speak out.

> A statement from the Marxist Feda vin-e-Khalq guerrilas that the "Iranian revolution should the "Iranian revolution should not be monopolised by any par-ticular social group" has been printed in all the newspapars. A new political party of intellectuals, ied by the res-pected writer Haj Sayyed Javadi, pledges in its manifesto to establish democracy, and resist despotism and "totali-tarian" systems of government. Robert Mauthner writes from Robert Mauthner writes from Paris: The Ayatoliah Khomeini

has lived at the small village of Neauphle-le-Chitean, near Paris, since arriving in France in October

After Friday's massive peace ful demonstrations throughout Iran, the Ayatoilah said he regarded these as a referendum backing the Islamic Republic he has all along demanded.

The Ayatoliah appears to country while a provisional response to his call to members Government is being set up are of the Iranian Parliament and expected to be named in a day the Regency Council set up by or so. the Shah to represent him in but superseded more than 10 years ago, would have to be put back on the agenda." In response to its claim for

"substantial" increase the NUR expects an offer of at least 81 per cent to flow from the amended pay guidelines and consolidation into basic pay of the existing railmen's bonus scheme. It wants a further productivity scheme to run from the end of April and is claiming a 35-hour Week.

The NUR will carefully watch the miners' accorda-tions, which open on Thurswatch day, and the parallel bargain-ing in electricity supply yet to get under way.

Given the diversity of and for strengthening the U.S. opinions on Capitol Hall, it is capacity to reinforce speedily likely that Congress will make its troop strength in Europe. several changes to the Prest-Such measures are clear Such measures are clearly designed to convince the Soviet dent's proposals in the months Union that it cannot hope to shead However, the alterations gain military superiority over will probably be made more to the internal composition of the the U.S.

It is also anticipated that, as budget than to its overall cellpreviously reported, the budget Nevertheless, the Administra- will all hat eliminate funding tion seems convinced that the for U.S. development with the ailing United States is now UK of the improved version of ready to accept a reasonably the Hawker Harrier fump-jet. strong dose of fiscal medicine. News of the impending U.S. to help cure inflation and that decision has already created a the patient will not lapse into fuss in the British Parliament eccession as a result. On the grounds that some \$1bn Nevertheless, the Administra- worth of contracts will be lost tion seems enavinced that the to the British acrospace indus-ailing United States is now try.

ready to accept a reasonably The U.S. Federal Budget Page 23

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recession as a result.

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ing with religious students. Groups from the banned pro-Moscow Tudeb Party were among the crowd that gathered at the Technical University. Clashes were reported in a

number of small towns at the weekend, leaving at least three dead. Gangs of pro-Shah men with sticks were said to have been responsible. Of greater concern to the authorities must be the number of reports in the Press of dis-

sion at Air Force bas Saturday's Kavhan and Etelaat said there had been tronble at Bandar Abbas on the Culf, in Hamadan, Islahan and other

An earlier report of tension at the Shahrokhi air base in the South last week was said to have heen confirmad by military

other, preferring a common

age of national prices in the community. The consequent rise in aver-

were dropped to the present EEC average, farm incomes would drop by £1bn. France would suffer an in-france would suffer an in-trease in food cost of £470m, intervention buying would soon

issue.

OVERSEAS NEWS

Carter earmarks budget funds for middle-range European missile

BY DAVID BUCHAN IN WASHINGTON

Western Europe nuclear the Russian SS-20 missile missiles capable of hitting (which carries three warbeads targets deep inside the Soviet and is targeted on Western Union by the mid-1980s. This Europe), and the threat posed would be a major departure as hy the supersonic Soviet Backnone of the American missiles fire Bomber. Neither the SS-20 preseotly in Europe have a nor the Backfire Bomber, prorange of more than 450 miles. vided it is not deployed on Defence Department officials inter-continental strike missions said yesterday that "study" against the U.S. itself, would funds for this new intermediate be restricted under the prorange missile have been included in the new 1979-80 budget due to be presented today. It is cited as among the many defence measures to strengthen the U.S. commitment to Western Europe.

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The development of the new

Rhodesia

war 'will

ebb after

elections

THE REV. Ndabiningi Sithole,

one of the leaders of Rhodesia's

transitional Government, fore-

cast yesterday that the war in

Rhodesia would subside after

one-man, one-vote elections were

held on Anril 20, AP reports

the pledge of the Patriotic Front

guerrilla alliance to smash the

Mr. Sitbole said the new

nation of Zimhabwe (Rhodesia)

stood a good chance of winning

international recognition. He

said he had received favourable

indications from Western Euro-

pean and African countries which he did not name.

rule Government there can be

no doubt there will be a con-

siderable de-escalation of the

war, he said in a television interview with a panel of Rho-

desian and foreign journalists. We have thousands of

guerrillas who are sick and tired

of the war-they would like to

Somali Moscow thaw

Somali President Mohamed

Siad Barre bas opened the way

for future co-operation between

his country and the Soviet

Union despite their split over

Moscow's support for Ethiopla

during the Ogaden war 14

months ago, Reuter reports

from Mogadishu. At a congress

of the ruling Soctalist Party

(SRP) at the weekend, the

President also sald be was

prepared to negotiate with the

Marxist military government in

come home." he said.

Once we have a majority

from Salisbury.

April poll.

THE U.S. may deploy in missile is seen as a response to month. The four leaders clearly bave made, it clear that they against the U.S. itself, would

> posed Salt 2 treaty. The option of a new longer range missile in Europe, which would take several years to develop and produce, was en-dorsed at the U.S., British, French and West German summit in Guadeloupe earlier this least from the Russians who

BY ADRIAN DICKS IN BONN

WEST GERMANY'S security

authorities carried out one of

their largest counter-espionage

operations of recent years over the weekend, when information

from an East German defector

led to the arrests of at least five people connected with a

nuclear research establishment

The effects of the round-up

on West German public opinion

one of the five had later

escaped from a police car on

his way to a remand prison. The authorities issued an

appeal for public belp. in find-,

ing the man, named as Rainer

Paul Fuelle. He was said to

accountant at the Karlsruhe

plant of a company set up to

have been employed as an

at Karlsruhe.

eld on April 20, AP reports were, bowever, marred when rom Salisbury. He mada the forecast despite Attorney-General, admitted that

wanted to avoid last-minute differences inside the NATO alliance over the neutron bomb.

The new budget keeps open President Carter's option to order deployment of the neutron high radiation bomb at some later date, however. Funds are provided for the continued pro-duction of the Lance missile and the 155 mm Howitzer—the two likeliest weapons on which the

nentron bomb warhead might be fitted. The new nuclear missile pro-

Spy sweep after Berlin defection

secret material or security pro-

been named fied to West Berlin result.

cedures.

Dany.

agency.

will want to curb the British and French nuclear strike forces in any Salt 3 negotiations, which will focus much more on nuclear weapons in Europe. The new missile would provide a handy bargaining chip for NATO as a possible trade-off against the SS-20.

\$144m for the development of a longer range Persbing 2 missile to be hased in Europe. At present, American nuclear esent, missiles, in Europe-the Pershjest for the European theatre ing 1, the Lance, and Honest is likely to stir controversy, not John-have ranges of less than

world rail systems may top £12bn

By lan Hargreaves, Transport Correspondent

CAPITAL expenditure on railways outside the U.S. and the Communist world is expected to rise by 18 per cent to over £12bn this year. according to the latest investment poll by the International Railway Journal.

In the U.S., the rate of spending will increase at an aven more rapid rate, rising by 25 per cent to reach £2.5bn. This reflects the efforts being made to modernise what is one of the world's largest but most run-down railway networks.

no commitment on new projects with a total value of over 100m The biggest spenders ont-side North America in 1979 will be the railway administra-tions of South Africa, with plans to invest £796m, France with £800m and Brazil with £552m.

British Rail comes well down the list, with its investment level frozen at £312m again this year, compared with the £480m to be spent on the slightly smaller Italian network.

The importance of the U.S. market in 1979 is underlined in the poll'a findings on main line locomotive and goods

wagon purchases. Outside the U.S., rallways SHIPPINGEREPORT plan to buy 1,200 locomotives and 35,000 wagons, compared with \$5,000 wagons and over 2,400 locomotives inside the U.S.

In addition to the expenditure on main line railways, the poll also describes the continnation of the rapid transit boom.

A survey of 45 cities indi-cates total spending of £3.5bn this year with hig investment planned in new systems in Tehran (£261m this year). Rio de Janeiro (£161m), Pitts-burgh (£152m), Hong Kong (£156m) and Caracas £107m.

Among existing systems. Boston tons the investment list with £235m, followed by New York (5214m) and Paris (£210m). London Transport. in spite of work on the new Jubilec Linc, lags well behind

BL to boost EEC sales

these metry authorities with a hodget of \$55m. London talks on NZ

dairy imports By Christopher Parkes

MR. BRIAN TALBOYS, New

BY KENNETH GOODING

THE LAND-ROVER subsidiary The group will particularly of BL expects to raise substan- concentrate on supplying diesel-

THE OPERATION of strict announced in June was bronght 'rule, it is almed at keeping a financial measures covering down from an original figure, tight rein on Ministries, particu-projects in Saudi Arabia, which of SR 145bn to SR 130bn, larty such heavy spenders as has already caused considerable because it was thought that the Communications and Agriculproblems for overseas con original deficit was too large, ture. Bankers further report tractors, have received addi- with revenue estimated at moves afoot to introduce a tional support from Grown SR 115bn on off output of Sm. monthly budgetary system for Prince Fahd. In a statement to the Council, widely - considered approxi- Finance Ministries, although the of Ministers, the Crown Prince mately equal to the total actual confirm this The arguments for stringency

was anxious to see projects projected SR 111bn. Were given additional impetus under the current five year. At the same time the Finance, when singgish oil demand in the development plan carried out Ministry instructed other Minis- first three months of the finan-quickly "it is our duty to see tries not to spend more than ciaf year kept average produc-that costs are realistic." He 70 per cent of their original, tion at over 500,00 b/d below development plan carried out Ministry instructed other Minis- first three months of the finan-quickly "it is our duty to see tries not to spend more than cisf year kept average produc-that costs are realistic." He 70 per cent of their original, tion at over 500,00 b/d below urged the Ministers to scrutinise allocation without, refarring the anticipated level. Mean-the work of consultants care back. Bankers report that the while the bankers said the fully. The stringency measures a calling, designed to hold sector of the economy of 17 per spending down to near the cent in 1977-78 was considered otional 1977-78 level. satisfactory while inflation of np Together with the SE 100m to 15 per cent annually was not.

No rise in canal tolls BY ROGER MATTHEWS IN CAIRO

few are less-can be made with-out the prior approval of the Crown Prince's office. The Ministry of Finance and National Economy confirmed. SUEZ CANAL tolls are to re- be reviewed at some stage next According to local bankers, whose business has expanded to include a large volume of shortterm financing for unpaid con-tractors, the SR 100m rule has heen a major factor in the slowdown in the award of new

notional 1977-78 level

said that while the Government spending in 1977-78 against a

main unchanged until at least year when the first stage of 1980. This was stated by the widening and modernising the

1980. This was stated by the widening and modernising the chairman of the Suez Canal canal had been completed. He Authority, Mr. Mashhour added that net revenue from Ahmed Mashhour, in an inter the canal had reached \$520m.

Ahmed Mashhour, in an inter- the canal had reached \$520m view published here and aimed last year and would probably at halting speculation that tolls inp \$580m in the current year. would be increased in line with This increase, however, would the latest crude oll price rises. be due to more ships passing Mr. Mashhour indicated, how through the canal rather than contracts. Mr. Mashhour indicated, how through the canal r The budgeted expenditure ever, that tolls would probably to any rise in dues

New optimism on tanker market

BY OUR SHIPPING CORRESPONDENT

The stringency measures, introduced in the June 1978

hudget to reduce Ministry waste" and cope with a revenna short-

fall, include a stipulation that

Saudi riyals (£15m)-and very

this last week.

WORLD OIL tanker markets of the 'tanker surplus by can he expected to show a neglecting the possibility that general improvement this year many ships now laid np will and next, leading to a removal, prove too expensive to reof surplus capacity by 1982, according to a leading analyst. Mr. A. Gordon Bayley, foractivate and that shipowners according to a leading analyst. may continue to find it more Mr. A. Gordon Bayley, for economical to operate their merly tanker consultant to fibe ships at well below their maxi-UN, says in his annual review mum speed to save fuel of world tanker prospects that By mid-1979, Mr. Bayley fore prospects are looking brighter casts that the overall surplus for all but very large crude car, in the fleet will be reduced riers over 175,000 dwt. He argues that some fore- by mid-1981 and producing an casters are overstating the size actual deficit by 1982. However,

at this point there would still be a surplus of ULCCs. These projections dn not take account of new ships which will, be built in the period analysed, hut Mr. Bayley suggests that the ordering of new tankers will be cautious and confined to the amaller size ranges, where shortages are expected. World Tanker - Prospects, 1979-82: Tilney and Co., 385,

Ship aid for W. Germany of Range and Land-Rovers introduced By Adrian Dicks in Bonn THE WEST GERMAN governtially European sales of Land engined Land-Rovers which ments new series of measures. Rovers and Range Rovers as the now account for about two. to help the hard-hit shiphuild-first stage of its production thirds of the total sold in ing and shipping industries has Last year BL's sales of four been set in place, and has y wheel-drive vehicles in the 12 for the two sectors

Sefton House, Exchange Build-ings, Liverpool L2 3RT, £60 UK, £63 operseas.

Herr Guillaume, who is servlast Friday night from the East German Ministry of State ing a long jsll sentence, underwent surgery last week for a Security. He was accompanied by his wife and child and was kidney complaint. **Reuter adds from East Berlin:** still under interrogation last night. It is understood that he East Germany said yesterday that a NATO officer had crossed hrought a large quantity of documents with him. over to East Germany with important documents and had It was not clear last night who

Guillaume, an official in the Bonn Chancellery of Herr Willy

said yesterday that Herr Fuelle spectacular case of all in April

had no direct access either to 1974-that of Herr- Guenther

The defector who has not Brandt, who resigned as

applied for asylum. The official news agency said the officer was the other four arrested suspects were, or whether they were all Lieutenant-Commander and employees of the recycling comhad worked for many years on the operational staff of various Gounter - intelligence officials believe the spy ring to NATO intelligence departments. have been "important, but not In Bonn, the Defence Ministry in the top category," sccording to the West German newa said the East Germans were prohahly referring to a West German officer who has been More than 100 East German prepare for commercial re- agents have been arrested in missing from his marine air cycling of nuclear fuel ele- various branches of West Ger- squadron in Schleswig since the

viding an additional complica-

tion. Some Egyptisn officials

may further delay progress with all three parties to the

stalled talks trying to assess the wider impact of events in

Reuter wirtes from Damascus

Palestinian leaders have drawn

up detailed plans for political

and military action to resist Egyptian-Israeli peace moves, a spokesman for the Palestine

Liberation Organisation said.

The proposals will be voted on

Tehran.

end of November.

Atherton hears Israeli decisions

Roger Matthews adds from

UN plan for Lebanon stability

The Israeli delegate,

Yehuda Blum, accused the council of failing to come to

grips with the real issue in Lebanon and of baving pro-duced "a highly one-sided and

unbalanced political resolution."

He drew members' attention to the fact that UNIFIL is not

deployed in the Tyre area, which reaches within eight

There are some 1,500 Pales-tinian terrorists deliberately

Border officials said

miles of Israel.

BY L. DANIEL IN JERUSALEM

Speculation here is that the negotiations are not promising merican letter proposed with the situation in Irao pro-American letter proposed making paragraph six of the proposed peace treaty more acceptable to Israel. This is the para- believe that the Iranian crisis graph dealing with the question of Egypt's previous undertakings Israeil Cabinet.

overriding the new tracty. Another sticking point which might be bridged by the U.S. is that of linkage between the treaty and autonomy lo the West Bank and Gaza.

Cairo: Egypt will not budge a millimetre from the basic con-The Cabinet session yesterday ditions it has laid down for signfollowed a dramatic midnight meeting between the U.S. and ing a peace treaty with Israel. Addts Ababa over independence This was stated by Mr. Hosny Israell negotiating team during Mubarak, the Egyptian Vice-which Mr. Atherton conveyed the cootents of an American President, and amplified by President Sadat who sate in President Sadat who said in Khartoum that there was no letter be had received in reaction to his report on his question of Egypt signing a talks earlier in the week with separate treaty with Israel. Mr. Begin and the Israeli nego-tiating team. The midnight talks lasted until 2 am.

ments. A company spokesman man public life since the most

MR. MENACHEM BEGIN, the Israeli Prime Minister, met with Mr. Alfred Atherton, the U.S. special envoy, yesterday to inform him of decisions reached at a five-hour meeting of the

The nature of the decisions was not immediately disclosed. Mr. Atherton had been expected to leave for Cairo today but it was announced last night that he would remain in Israel for at least another 36 hours for further talks.

BY OUR UN CORRESPONDENT

The statement, complement-

The U.S. budget also provides 450 miles.

Financial Times Monday January 22 1979

WORLD TRADE NEWS Saudi financial scrutiny Spending on

hits foreign contractors BY JAMES BUCHAN IN JEDDAH

for the disputed Ogaden border reglon.

India bank strike ends

Indian bank employees yesterday agreed to end nearly a month of strikes and work slowdowns and to re-enter negotiations on their wage and other demands, the Government announced, AP reports from New Delhi.

Desai China pledge

Indian Prime Minister Morarji Desai reassured the Soviet Union yesterday that aoy warm-WITH THE situation in the use of UN troops, refused entry or passage of the southern explosive following a new A key paragraph of the Mr. Blum warned the Gouncil Israeli strike against Palestinian resolution deplored Isrsel's lack that Israel " will continue its ing of India's policy towards Ghina would oot be at the expense of a third country, AP reports from New Delhi. Mr. guerrilla hases and Lebanese of co-operation with UNIFIL policy of taking necessary action leftist forces, the UN and the and its support for the Lebanese Lebanese Government will Christian Militia, which controls shortly try to agree on a pro- a six-mile zone along the Israeli Desai, addressing a oews con-Desai, addressing a oews con-ference, reacted aogrily when a reporter asked him if he bad received "clearance" from Moscow for a visit to Peking next month hy India's External Affairs Minister. "We doo't ask anyone for clearance," gramme to promote Beirut's border. authority over the troubled regioo. Dr. Kurt Waldheim, Secretary-General, and the Government were asked to prepare these plans in a state-ment agreed to hy the 15 members of the Security Council, which approved on snapped Mr. Dessi. But he weot oo to make it clear India's relations with China will not be at the expense of a third Friday night a five-month nation. extension of mandate for the UN force in Lebanon, UNIFIL.

Uganda border charge

Uganda has said three towns near its border with Tanzanla Ing the Council's formal resolu-tion, was read out hy the Presi-tion, was read out hy the Presi-dent, Mr. Donald Milla of stationed in refugee camps Jamaica. Twelve members voted there, in the town and else-for the formal resolution. The where, Mr. Blum said. Within Soviet Union and Czecho-slovakia abstained, and China, northern Israel, these same which objects in principle to terrorists consistently prevented ing the Council's formal resoluhave been captured by invading forces and accused Tanzania of " intolerable provocation." Reuter reports from Nairobi.

Angola-China talks

Angola bas announced it has accepted a request from China for a meeting to discuss the establishment of diplomatic relations, the official news-agency Angop said. In a telezed despatch to Reuters in London, it quoted a communique issued by Angola's top ruling body, the political bureau of the central committee of the Popular Movement for the Liberation of Angola (MPLA).

Lagos Caribbean loan

Nigeria has become the first African country to offer a loan to the Commonwealth Caribbean. Tony Crozier writes from Bridgetown, An agreement has been signed between the Nigerian government and the Garihbean Development Bank for the sum of \$5m. It will be used to finance agricultural credits through the state development banks and govern-ment counterpart contributions to Caribbean Development Bank projects.

Urenburg pipe finished The 1,700 mile "Soyuz" gas pipeline linking theh rich Orenburg gas deposita with Eastern Europe bas been completed after four years of work by the Soviet Union and East European members of Gomecon, David Satter

writes from Moscow.

by the Palestine National Conncil, a parliament-in-exile now in session bere.

Recommendations included firm rejection of the Camp David accords, the need to step up guerrilla warfare against Israel and a cautious approach The prospects of an early to an emerging rapprochement resumption to mid-east peace between the PLO and Jordan.

against PLO hases used for the

training of terrorists and for

launching criminal activies against IsraeL"

AP adds from Tel Aviv:

Prime Minister Menachem Begin

vowed yesterday Israel would "continue to hit" Palestinian

bases in Lehanon to prevent further terrorist attacks and

Israeli artillerymen fired across

the northern horder in response

to a new round of rocket

attacks oo frontier settlements.

two separate rocket attacks yes-terday morning on the town of

Kiryat Shmona and nearby farm

settlements in northernmost

Galilee — areas that were rocketed on Friday after an

aid from Britain

By K. K. Sharma FRESH British grants to India totalling £145m are to be

announced this week when Sir

Peter Preston, Permanent Secretary of the Ministry of

Overseas Deevlopment, arrives

here for talks. £580m of debt

relief is also expected over the next 22 years, to he used for local cost financing of British-aided projects.

The debt relief is on repay-

ments of loans before 1975

when all British aid hegan to

be extended as grants. Britain is the largest single-

bilateral aid donor to India.

Half the cash is for purchase

of raw materials, components

and spare parts and can be

A number of British mis-

sions have been visiting India

in the past few months to

Identify areas of co-operation

and sell machinery and equip-ment for which the aid funds

The British aid commit-

is

used flexibly.

could be drawn.

No injuries were reported in

Lebanese army.

Zcaland's Deputy Prime Minis-ter. is visiting London this week to negotiate future access to the British market for butter and cheese. Gurrent arrangements allow

New Zealand to send 115,000 tonnes of hutter this year and expire with a 110,000-tonne quota in 1980. Imports of New Zealand cheese ended in 1977, but there are hopes that an annual quola tonnes can he an

Although the ernmeut is keen t Zealand dairy suj other Gommunit want to see the ont rapidly. The industry is also New Zealand im be stopped. Last year N supplied almost

of British butter

BRAZIL AND NIGERIA

comes on Europe. stream. This £30m project bas had a greater impact on Range Rover output and as a result Euro- bution network covers rose by pean sales of these vehicles 8 per cent on the 1977 level a payment out of public funds should jump by 25 to 30 per Some 4,100 Land-Rovers and of 10 per cent in 1979 and 1980. cent in 1979.

cent in 1979. Sales of Land-Rovers are compared with 3,860 and 2,800 value of each new order for a expected to rise hy 20 per cent. respectively in 1977.

World Economic Indicators

nc hopes that la of 15,000 rranged.			INDUSTR	UAL PROD		% change	
British Gov-		Dec. 78	Nov. 78	Oct. 78	Dec. 77	year"	year
to retain New	U.S.	150.4	749.5	148.5	139.6	+7.7	1967=10
pplies, all the	1	Nov. 78	Oct. 78	Sept. 78	Nov. 77		
ty countries	France	130.0	128.0	128.0	126.0	+1.6	1970=10
trade phased	Italy	137.0	141.6	136.6	125.5	+9.2 .	1970-10
British dairy	West						
anxious that	Germany	130.8	124,6	123.0	124.4	+5.1	1970=10
ports should	Japan	125.3	124.1	124.4	117.3 .	+6.8	1975=100
iports saloud	UK	110.1	109.2	111.0	105.5	+4.4	1975=100
		Oct. 78	Sept. '78	Aug. 78	Oct. 77		-
lew Zealand	Holland	128.0	129.0	127.0	126.0	+1.6	1970=100
40 per cent	Belgium	127.2	124.4	107.4	1 19.6	+64	1970-100
r needs.	1 † Pro	visional.			· ·		•
					- '		

subsidies will take the form of high-technology, ocean-going

This is the area of the industry in which the German vards themselves, as well as the Government, believe they have the best chances of long-term survival, once the industry recovera, from its present world-

vessel.

wide slump. During the three years 1979-1981, ship owners will receive interest-free loans worth 1,5-per cent of the book value of their vessels, which can be cancelled. if new vessels are ordered. In addition, Federal guaran-

tees of up to DM 500m will be available to help shipping lines with liquidity problems.

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Developing giants forge new links

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL AND Nigeria, the "The Nigerians want to sell the end of Brigadier Yar'adua's during Brigadier- Yar'adua's rapidly growing giants of their us more oil and we are content talks in Brasilia, stating "the visit covered farming and liverapidly growing giants of their us more oil and we are content taiks in blasma, shoung the value to bus more oil and natural two parties note the successful stock breeding, equipment for much to offer each other in rubber, to build up atocks," conclusion of meaningful talks meat freezing and packing terms of trade and the recent diplomatic sources said.

descendants bear Brazilian surnames. After long neglect the connection has heen revived; Brigadier Yar'adua's visit had laid the ground for an estimated \$3bn in bilateral trade in the next five years or attempts to persuade the Middle \$5bn if the value of oll deals East to "buy Brazilian."

is included. Until now Brazil's oil imports Two factora according to

Brazilian diplomatic sources, are altering this situation. First, the Iran crisis: Iran was Brazil's third largest supplier of crude, substantial, eventually it will bave to turn elsewhere to offset the loss of this source. Second, Brazil's trad^o balance

with Nigeria is lopsided. Total imports from its largest African trade partner were only \$25m from January to September last. year, while exports were just over j200m.

visit hera by Nigeria's Vice- Brazil's trade surplus with that this will result in signifi- port improvements, hotel con-President, Brigadier Shehu Nigeria contrasts strikingly with cant advantages for both struction, inban development, Yar'adua, has resulted in a new its Middle Eastern "effcits (a 'parties," did not do justice railway building and mining.

commitment on hoth sides. Links between the two Arahia alone). While, with About 25 B countries started in the 19th Nigeria, there are similarities of tancy and serv Africa large number of Afro-Brazilian liberated slaves, whose subsoll conditions affording more rapid grasp of mutual prohlems or advantages, Brazil's negotiators, despite valiant efforts to learn bow to deal with Arab requirements and outlooks, have frequently suffered from marked disadvantages in their

from Nigeria, the world's eighth ing \$1.2bn in business In Iraq largest oil profucer, have been in 1978, with contracts to build modest. In 1978, only 20,000 b/d hotels in Baghdad and a 550 Nigeria in January-September of average daily imports of over km stretch of railway, was 1978 consisted of manufactured s00,000 b/d came from Nigeria dampened by Iran's failure to produ-not least the output of

Sobon two-way trade agreement hold appliance manufacturers nition that the market had to implying purchase of Brazilian marketing their wares under be viewed with more realism, goods and services equalling the Tama brand: their sales Brazilian diplomats are now less, at least 30 per cent of the sum drive, which began in mid-1978, given to over estimating trade. and while Brazil's stocks are Brazil spent annually on was an instant success. Plans petential anywhere, so it seems Iranian crude (\$700m in 1978). are now well under way for that the wish to establish a Meanwhile, in the course of assembly of appliances in powerful Brazilian presence in Brigadier Yar'adua's visit to Nigeria and, possibly, eventual. Africa, is beginning to come Brazil, the talks held at Government and private business level Nigerian soil. According to indicated that hold sides are Described diplometer the Science. ment aud private business level Nigerian soll. According indicated that both sides are Brazilian diplomats, the inture FNANCAL TIMES, published unit enthusiastically committed to of Brazilian-Nigerian joint study and unitary 10,6 equitable bilateral trade. ventures in almost unlimited study was study and the study of the The bland language of the areas, is bright study of the areas is bright at the study of the areas, is bright study of the areas is bright to be areas and the study of the areas is bright to be areas and the study of the areas areas are areas at the study of the areas areas at the study of the areas areas areas areas areas at the study of the areas areas areas areas areas at the study of the areas areas areas at the study of the areas areas areas at the study of the areas areas areas areas areas at the study of the areas areas areas at the study of the areas areas areas areas areas at the study of the areas areas areas areas areas at the study of the areas areas at the study of the areas areas areas at the study of the areas at the a

to the facts. Furthermore, ground has been About 25 Brazilian consul- laid for joint banking ventures

tancy and services companies between Brazilian and Nigerian have now set up shop in concerns a logical step, diplo-Nigeria, a joint commission has mats say, since Nigerian law fornow ben formed to co-ordinate bids foreign banks to set up formation of joint ventures and, operations on their own. technology transfers, and a The rapid rate at which group of Brazilian based tele Brazil has fostened trade with comumnications conjonent. Nigeria is proved by the fact manufacturers (including that, in 1973, it exported only Brazilian operations of flaty's \$7m worth of goods there. Thus Italtel and Teletra) is hidding it has increased sales almost for the order to comp 200 and 2

Last to "buy Brazilian." for the order to equip 30 times over in five years. The success of Brazilian civil Nigeria's modern telecommuni-Diplomatic sources even say construction companies in secur-ing \$1 bins in the estimated sources in two-Around 85 per cent (or way trade in the next five years \$170m) of Brazil's exports to dampened by Iran's failure to goods-not least the output of trade with the Middle East that implement its side of a 1977 a group of Brazilian house- dwindled into resigned recog-

i s "conservative". Having learned their lesson from a burst of initial optimis

هكذام القط

Pol Pot forces in fierce clashes with invaders

Lehanon again to participate io the vote. following a new A key paragraph of

the

BANGKOK - Fierce clasbes ther since tha fall of Pbnom were reported to have taken Penh. place in Cambodia yesterday four Thai border police were hetween pro-Vietnamese forces wounded yestarday in a clash and troops loyal to the Pol Pot regime.

Diplomats said the clashes occurred in both the north and south of the country, especially in Takeo and Kampot provinces where Khmer Rouge soldiers were still putting up stiff resistance to the advance of

Vietnamese-led units. The naw Government in Phnom Penh has frequently claimed complete control of the country. But diplomats said artillery and mortar fire was still being heard in one area.

The war has not produced the expected flight of large numbers of refugees into Thailand hut about 2.400 people, believed to be families of Khmer Rouge soldiers, are waiting near the aaid. border.

About 350 unarmed people, most of them believed by the in Cambodia, directing the Thais to be Khmer Rouge resistance. troops, have crossed the fron- Reuter

with a group of armed Khmer Rouge who were trying to take refuge in a district east of Bangkok. The absence of refugees in any great number is interpreted by diplomats as indicating that Pol Pot might receive support

from the population if he carries out his intention of fighting a long guerrilla war

In Peking, Mr. leng Sary. Foreign Minister in the Pol Pot Government, told Western diplomats during a 90-minute meeting on Saturday that the

loss of the deep-water port of Kompong Som would hinder the fight. "But we are ready for this eventuality and we will have other possibilities," be

Mr. Sary said that the whole of the Pol Pot Government was ment, to he formally announced on Thursday marginally higher than last year's £144m, · · · · ·

Israeli ground force made a predawn raid on two guerrilla bases in Southern Lebanon. India gets £145m

UK NEWS



FT SURVEY OF CONSUMER CONFIDENCE

Industrial unrest raises pessimism level to 41%

BY DAVID CHURCHELL, CONSUMER AFFAIRS CORRESPONDENT

CONSUMER CONFIDENCE has been sharply dented by the wave of industrial unrest, according to the latest FT survey of consumer confidence published today. The index of "future confi-

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dence" has falled to -27 per-cent the lowest level since late 1978 when the sterling crisis also sapped confidence. The index shows that about 41 per cent of consumers surveyed expected conditions to worsen while only 14 per cent were optimistic. Last month the the index stood at -14 per cent. Six months ago, consumers were equally divided over whether or not conditions would improve, but the trend bas steadily been towards pessimism - even - before the latest sharp fall.

power and strike action. This was mentioned by 43 per cent the index of past prosperity - The survey also revealed a of the sample this month, com- how consumers feel how com- slight increae in concern over pared with only 24 per cent in pared with 12 months ago -December and just 7 per cent fell only slightly in January to

last August Although the proportion of those mentioning the Govern-ment and rising prices as their reason for pessimism is down, this is largely due to the overall increase in the numbers taking a more gloomy view.

The actual number citing these reasons was no lower than last month, but it has been reduced in importance by the concern over trade union disputes. 7 Among the relatively small

group of consumers who re-mained optimistic for 1979, the reason most often given for this optimism was the general feeling that "things must improve," cited by just over half the optimists compared with almost four out of 10 in Decem-

her. The proportion of optimists feeling that inflation was under control dropped sharply while those who felt that higher pay rises would lead to overall greater prosperity dropped from 12 per cent in December to 2

per cent this month. Optimism over the Govern-ment's handling of the economy also was down sharply, while the proportion mention-ing a change of fovarament as a reason for optimism was at its highest since the category. was introduced into the survey last May

The decline in confidence is reflected among all age and social classifications although the drop for ABC 1 women was years. not as large as for the other groups because their confidence was already at a low level able long-run assumptions, sug-

according to the December sur- gesting that the recent spate

402 ALL ADULTS ---- PAST PROSPERITY GOOD/BAD TIME TO BUY DURABLES 407 202 2027 402 ABC1 MEN 602 1974 1975 1976 1977 1978 1979 402 -

The reason for pessimism group least likely to buy at pre- for the past four months — the most often stated by consumers sent. longest period then at eny other was the effect of trade union. In spite of the depressed continue in the nine years of the snmer confidence for the future, survey.

unemployment. The index rose fell only slightly in January to stand at 1 per cent. About 30 per cent of consumers felt better off than a year ago, with only 14 per cent expecting it to better off than a year ago, with 29 per cent feeling worse off. The slight fall, bowever, does fall

The survey was carried ont by the British Market Research Bureau for the Financiel Times not mask the fact that the significant increase 'in consumer spending throughont 1978 has between January 4 and 12. A led to many people feeling sample of 1,018 edults were better off. Those feeling better interviewed.

Earnings rise forecast for clearing banks

BY MICHAEL LAFFERTY

EARNINGS of the big London clearing banks will rise by at offices, or building premises to meet decentralisation plans. least 20 per cent in 1978 and 30 per cent in 1979, and be Laing and Cruicksbank forecasts slower growth in banking more than enough to meet their assets. capital requirements, say the Minimum rate of return restockbrokers Laing and Cruckquired to make the clearing banks self-financing is put at shank.

The firm says in its annual review of clearing banks. "The 15 to 25 per cent lower than in the last five years. Laing and Cruickshank consector is moving out of e period cludes that on the lowest assumptions, results of bome when profits were insufficient to finance their capital requirements and when, despite over clearing bank operations will 5400m of rights issues, capital ratios fell." clearing bank operations will years.

Laing and Cruickshank cal-culates that: the minimum Clearing Banks, B. J. Lardner and C. J. Tyce. Laing and Cruickshank. Stock Exchange, London EC2N 1HA. Price \$5. return on assets needed to make the clearing banks self-financing and still able to increase dividends will be 20-30 per cent lower than in recent

"These returns can be for industry' achieved easily on any reasonthis year

Run of snags shuts petrochemical plants

BY SUE CAMERON, CHEMICALS CORRESPONDENT

ACCIDENTS, technical faults worsened by an industrial disand industrial disputes have pute over retraining. shut down 10 European petro- The Spanish Enpetrol's

few months. Big groups say that the con-sequent product shortages should help them to raise

Drices.

the closures has been to tighten Shell Nederland Chemie's the market while all hase ethylenc cracker at Moerdijk, chemical producers are suffer Holland, cut out and had to be ing from serious overcapacity. taken out of commission briefly

Imperial Chemical Industries

a shortage of skilled instrument artificers. The shortage was

chemical plants over the past ethylene cracker at Tarragona was halted last month because of an instrument fault. The plant, which is expected to be out of action until the end of spending plans. next month, bas an annual

They say that the effect of capacity of 375,000 tonnes. he closures has been to tighten Shell Nederland Chemie's

Production of ethylene, the last month. so-called building block of the Norsk Hydro's ethylene chemical industry, has been par-ticularly restricted by the shut-closed for severel weeks after a cracked gas compressor failed.

a shortage of skilled instrument tins enabling it to crack gas oil as well at naphtha,

Chemical companies face

Third World competition

MPs seek expert opinion on public spending cuts

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

IN ALL-PARTY committee of

MPs hopes to enlist the help of a wide range of academic and City economists in its examina-tion of the Government's public examination of the new White will, no doubt, be keen to press Paper may be rather lower key the Treasury on the inflation than last year since, on the face prospects.

The inquiry is being carried out by the general sub-com-mittee of the Commons Expendi-ture Committee, chaired by Mr. Michael English, Labour MP for Nottingham West

It will involve a number of of the month when senior Treasury officials—and possibly also Mr. Joel Barnett, the Chief Secretary to the Treasury-will be questioned abont the econ-omic background and detailed

plans in the expenditure White Paper publisher last Wednesday. In preparation, the sub-committee bas written to more than a dozen economists and other Interested parties saying that their comments would be

welcomed. This follows similar exercises

European Monetary System. However, unlike last year the sub-committee is not publicly or is already being crowded out of formally requesting submissions financial markets by the public from outsiders, while welcoming sector, notebly by Minimum

pepers are likely to be of it, the plans and presentation published. This is partly because the members of the sub-committee

Proposed expenditure volume 'inappropriate'

BY OUR ECONOMICS CORRESPONDENT

THE PROPOSED volume of Lending Rate of 121 per cent public expenditure is completely and the constraint of the corset borrow more, according to stockbrokers W. Greenwell and

In their latest monetary bulletin, published this morning, the brokers argue that private sector borrowing needs will rise becanse of lower profit margins, resulting from sterling's reletive strength, the and during the debate on strikes and industrial disruption, whether the UK should join the and the planned extension of cost of bigh wage settlements, strikes and industrial disruption.

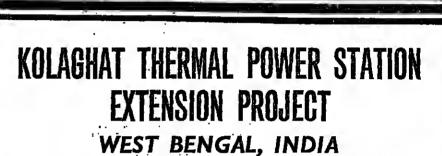
price controls. However "the private sector wiĺl

inappropriate in view of the on bank lending. In these cirinappropriate in view of the on oant female, in the public sector privete sector's likely need to cumstances, the public sector borrow more, according to ought definitely to cut its stockbrokers W. Greenwell and demand for funds." The brokers claim that "the reduction in public spending (excludiog financial transfers and debt interest) by 1.5 per

cent in 1978-77 and by 4.6 per cent in 1977-78 was en important reason for the underlying im-provement in the economy which began towards the end of 1977. "The fall in public expend-

ture was largely reserved in 1978-79, which in turn is an important reason wby the improvement in the economy oot be sustained

CONTRACTS AND TENDERS



Pre-qualification of Suppliers for Turbine-Generator Plant.

Kolaghat Thermal Power Station of West Bengal State Electricity Board located in the district of Midnapur in West Bengal, India, and consisting of 3 units of 200 MW (nominal) is now planning for an expansion by another 3 units of 200 MW (nominal). The turbo-generator plant for this expansion project will be purchased by global

Suppliers interested in receiving inquiries for turbine-generator plant are invited to register for pre-qualification of the suppliers for Kolaghat Thermal Power Station Extension Project by providing the following information:

- 1 Description and capacity of manufacturing facilities.
- A Experience with manufacture and installation of similar type and size
 - In the country of origin
- Export project outside country of origin
- Experience in Asian country and tropical region
- Details of experience shall cover
- Supply of

BY SUE CAMERON, CHEMICALS CORRESPONDENT CHEMICAL COMPANIES that producers tried to gain signifi-believe their markets will never cant shares of traditional petrobe hit by competition from the developing countries are living in a "fool's peradise," an industry expert told the Commerlast week

downs.

even if only balf the petrochemical plants planned by

end of the century, the developing nations would have more than doubled their share of world petrochemical production

which stands at about 8 per cent. Mr. Hyde said he bed identified more than 100 ethylene projects - ethylene is one of the so-called building blocks of the chemical indostry — in 55 developing nations. His fore-cests, besed on the assumption thet less than half these plants would materialise between now and 1990, would give the developing nations a 26 per cent

share of world ethylene capecity by 1990. He told the association there would be strong pressure for anti-dumping duties if the new have in the past."

Credit delays costing thousands in exports

BY CHRISTOPHER PARKES

EXPORT ORDERS worth many that information was somethousands of pounds are being times difficult to obtain from lost to British industry because remote parts of the world, but of delays in the Government's the bulk of the 5,000 weekly

chemical imports that were tied Mr. Micbeel Hyde, publisher to much needed imports of of Chemical Insight, said that, crude oil. "At the very least, the advent developing countries were built, will force e continuing re-they would "still edversely appraisal of production and affect world markets." By the marketing strategies. Myopic

Mr. Hyde. tional producers—in North America. Western Europe and Japan-to abandon the commodity end of their operations. But they would bave to act "to keep ooe or two steps ahead of the new producers.'

chemical majors made further advances in their technology. He warned that, in improving existing processes, ' manege ments would be wise not to licence their new technology as

of new sources of production managers who refuse to see the need for change will preside over declining businesses," said There was no call for tradi-

This

could be done only if esteblished

readily and es cheeply as they

chemical markets on the basis of subsidised exports. But It would be harder to impose such duties on some countries than cial Development Association at on others. It could prove par-its meeting in Houston, Texas, ticularly difficult to restrict

ver. In all the remaining social of rights issues is virtually com-sub-groups, the proportion of plete." pessimists increased by a In 1973-77 the banks' need tenth. for capital grew rapidly because

The younger age group clearers earned only an aver-declined by 6, per cent in con-fidence, while the 35-54 and over assets. 55 age, groups both dropped by The banks should have earned 15 mer cent 15 per cent.

Regionally, Scotland and the North East had the largest fall North East had the largest fall generate enough for dividends in consumer confidence — with actually declared. The short-a drop of 22 percentage points fall was met by large amounts in consumer confidence - with and the Sonth East formed the issues. least confident region - a drop Ther of 15 points bringing their in the banks' capital ratios. regional index to -30 per cent while the most confident region remained Wales and the Midlands at -21 per cent. The time to buy "big things for the house" sector of the in-der is np by 14 percentage points to 20 per cent. However, the index was at an unusually low level last month and given that this index usually reaches. a very high level in January, the latest figure must be regarded as disappointing. In five ont of the last six years

the time to buy index bas reached its highest level for thet UNLESS insurance companies year in January and if this trend is repeated this year the exercised greater control over sumers would ask what protec-their agents they faced the tion was provided if they dealt prospect of a full Government with an insurance agent rather demand for consumer durables

a limited appeal, and it further and Parliamentary edviser to He thought this would come illustrates consumer concern the British Insurance Brokers' within three or four years, over the future of the economy. Association. "Whatever Government was in But ABC I. men from the He told Ilford Life and power." professional- and executive Pensions Society that protect He urged insurance com-classes — showed a sharp in- tion of a consumer using an panies to exercise e greater crease in willingness to buy insurance intermediary hed degree of control over their durables after a lower than- been much improved by the agents as the only way to nsual December figure. Work- Passing of the Insurance prevent this "unwelcome" ing-class women, bowever, are Brokers' Registration Act, 1977. Government intervention.

المحيد وتعيين ويروا الأسيد كالمراجع

According to age groups, how- of heavy spending on fixed ever, the under 35 bas not assets, while rapid growth in suffered such a large fall in banking assets needed large future confidence as the over 35. additions to free capital. The

1.46 per cent return to supply. their capital needs end still of new equity raised as rights

in the banks' capital ratios. From now on bank spending about £900m. on fixed assets should grow The public-sector borrowing less ranidly. Most recent spend-requirement is expected to rise

FINANCIAL TIMES REPORTER

Insurance companies

warned on agents

Financial Times Reporter

'More finance

A GROWING amount of finance is likely to be evailable for industry this year, say the City stockbrokers Wood, Mackenzie, thus giving opportunity for funding more industrial investment

In its monthly circular the firm says thet the proportion of institutions cash flow pre-empted by long-term Government debt should be slightly lower than 1978.

. It estimates that pension and life essurance funds will together have £8.0bn available issues. There was still deterioration £7.4bn in 1978, while general

In such circumstances con-

3-

ing was on such large property from £8.2bn in the current fin. developments as new head cial year to £9bn in 1979-80. from £8.2bn in the current finanExport Credits Guarantee applications were answered in Department, according to a two days.

He offered no bope for early leading farm machinery maker. Mr. Alvan Blanch, chairman resumption of export credit of Alvan Blanch Develop- cover for trade with Turkey, a ment, told a British Agricultural

sometimes lorger, for a reply from the Department. He said: "We need some mechanism to get things moving small and medium-scale exquickly so that we can quote within seven to 10 days of the

initial inquiry." Mr. J. H. Hall, head of the essistance for su Department's secretariat, said tural companies.

market that has taken millions Export Council seminar thet his of pounds of UK farm machcompany had waited six weeks, inery and equipment in recent

porters, was organised as e result of a recent Government report that criticised the lack of

essistance for smaller agricul-

Financial Times plans two conferences

LEADING SPEAKERS from industry and Government will take part in a two-day confer-ence called Tomorrow in World Electronics, organised by the Financial Times and to be held on March 21 and 22 at Grosvenor House, London.

It will review important developments and assess their Impact on industry, employ-ment and the community.

spokesman for employment, will open the debate on the technological revolution and society. Dr. I. M. Mackintosh, chairman of Mackintosb Consultants, will discuss the impact of electronics

presented by Dr. Fritz-Rudolf Guentsch, of the Federal Ministry for Research and Technology, and Mr. Leslie Huckfield, Parliamentary Under-Secretary for Industry. The Financial Times, with the Trade Policy Research Group, is organising a two-day confer-

ence on Invisible Barriers to **Invisible Trade on March 28 and** 29 at the London Press Centre. Speakers will include Sir Mr. James Prior, Opposition pokesman for employment, will the Trade Policy Research open the debate on the techno-Centre, end Mr. Ronald K. Shelp, vice-president and direc-tor, American International

Underwriters Corporation.

The Trade Policy Research dechalogy on employment. Group bas been assessing such German and UK views on invisible barriers and bas sug-Governments and their role in gested means of overcoming the electronics industry will be them.

Five new exhibitions for Harrogate

By Aothony Moreton, Regional Affairs Editor

held in Harrogate this year, taking the number of exhibitions and conferences beld in the town to a record level. This year's newcomers range taken from "fashion fabrics" to Eve. "mining, electrical and mech-enical engineers." The record

total for conferences was act in

1974 when 459 were beld. Mr. Tony Miles, director of resort services said: ".1979 will be our most successful year and this indicates the increasing demand for larger and more modern facilities.

"Advance bookings, stretchning and developing the new conference centre."

ing into the late 1980s confirm for a new lease on 4 Hamilton the council's foresight in plan- Place, its Mayfair headquarters. The £300,000 has been paid from a fund which is now

One result of the increase in exhausted and from a loan by demand for conference and a member.

FIVE NEW exhibitions will be exhibition space is that there is virtually none evailable this year. Even December, normally a very quiet month, has received hookings and one exhibitor has taken space until Christmas

Aeronautical

Society appeal

AIRLINES and the aircraft industry have been asked to help the Royal Aeronautical Society in an appeal for cash to recoup the £300,000 it is paying

For further details contact; FRANCIS PHILLIPS on 01-248 8000 Ext. 456

2 Turnkey project management

- 3 Erection and commissioning of equipment supplied. Best possible delivery, erection and commissioning schedule acceptable under penalty
- Latest annual report and balance sheets
- 5 Availability of spares and service facilities in India

To be considered for the aforesaid pre-qualifications, all of the above information must Sent to the following addresses by the 10th of February, 1979: Mr. B. K. Banerjee, Additional Chief Engineer (P and E), West Bengal 24B Park Street, Calcutta 700016,

State Electricity Board, New Secre-tariat Building (7th Floor), 1, K.S. Roy Road, Calcutta 700001, India

PEOPLE'S REPUBLIC OF MOZAMBIQUE

TEA REHABILITATION PROJECT

in the Zambezia Province. 2. The shjectives at the Project will be to improve the general conditions and performance of existing machinery, to increase the capacity of the newsr fectories and to improve the quality of the production.

— procurement of instpliction matchals.
4. Firms interested in submitting proposals for supplying equipment and spare ports are requested to apply to the address below for pre-qualification. Only pre-qualified firms will be invited to submit dctailed proposals for carrying out the assignment.
5. The closing date for receipt of pre-qualification decuments is fixed on 15th February, 1979.

MAPUTO PEOPLE'S REPUBLIC OF MOZAMBIQUE, E. AFRICA.

ADDRESS: THE BOARD OF DIRECTORA OF BANCO POPULAR DE DESENVOLVIMENTO P.O. 80X 757

CONTRACTS AND

TENDERS

. . .

Preject components and actions will include among others:
 procurement al factory machinery/equipment and spares;

- procurement of installation materials.

India. One Copy

Three Copies

All correspondence should be in English. Owner reserves the right to verify all statements and to disqualify any suppliers without assigning reasons therefore. Further correspondence from the suppliers, "not prequalified" for the planned project shall not be entertained. The following factors, among other points, will be considered evaluating subsequent quotations:

Installation cost, operating and maintenance cost, compliance with specifications, supplier's experience, delivery schedule, guarantee, inspection and expediting cost, terms of payment and spare parts.

Equipment, materials and services covered under this package specification include-

Three (3) Nos. 200 MW (nominal) each condensing turbine-generator rated for continuous operation. The inlet steam conditions shall be 147 bar at S35 degrees C with single reheat at S35 degrees C. The generator will be 3 phase, 50 cys. 0.85 P.P.

The scope of services shall include turbine-generator, condensate pump, air extraction plant, feed heating plant, boiler feed pumps, chemical feed pumps, piping, control, instruments, motor control centre, power and control cables ann a steam bypass dumping to condenser for stable turbine-boiler operation on load drop.

Responsibilities shall include supply, transportation to site, handling, erection, testing and commissioning of the plant.

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ANNOUNCEMENT FOR ADDITIONAL EQUIPMENT PURCHASES FOR THE EXPANSION OF THE INTEGRATED STEEL PLANT AT EREGLI, TURKEY 1. The Government of the People's Republic of Mozemblque will ehertly emberk on a project for the rehabilitation of 17 state-owned tea factories in the Zambezia Province.

OF THE INTEGRATED STEEL PLANT AT EREGLI, TURKEY
 Eregil Demir ve Celik fab T.A.S. at Eregil, Turkey, has elready started en expansion project aimed at increasing its liquid steel capacity to 2 million metric tons by 1981.
 Following additional facilities are to be purchased end installed using World Bank financing and under intermational competitive bidding procedures:
 Additional emergency steam turbine drive system for exist-ing 2 electric driven pumps (600 HP x 725 rpm).
 Argon (95 nm3/h x 8 kg/cm2g) and nitrogen (500 nm3 x 8 kg/cm2g) recovery facilities utilieurg existing oxygen plant.
 Coke oven gas desulfurization plant (300 m3/hr).
 Ammonia absorption and recovery unit for coke oven gas.
 Twoway (Bock Dozor) epsraling dozens to be used for bulk-carrier ship holds cleaning.
 Invitations to bid on the facilities listed aboxe will be furnished code

dozers to be used for bulk-carrier ship holds cleaning. Invitations to bid on the facilities listed above will be furnished only to those furns who have been previously qualified for the specific items to be purchased. Therefers, firms wishing to be so qualified should communicate in writing, in the English language, with:

EREGLI O EMIR VE ÇELIK FABRIKALARI T.A.S. Proje ve Tesis Genel Mudur Yardincilini KDZ EREGLI—TURKEY

Such communication must be received at the above address ne lever then icbruary 15, 1979. Infor-mation as to the requirements for prequalification of bidders will be forwarded to those responding to this edvertisement.

OVERSEAS UNION BANK LIMITED (Incorporated In the Republic of Singapore)

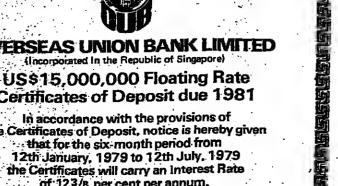
Certificates of Deposit due 1981

the Certificates of Deposit, notice is hereby given that for the six-month period from 12th January, 1979 to 12th July. 1979 the Certificates will carry an Interest Rate of 123/B per cent per annum.

By: Singapore Nomura Merchant Banking Limited Agent Benk

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11.25

Counting

the cost

for food

By Christopher Parkes

and farms

FOOD AND farming industries

have begun assessing the long-

term impact on productim and trade of the lorry drivers' strike. Aithough animal feed and human food ingredients

have begin to move, there are

still shortages of varying severity and thousands of workers are laid off.

"There are fears, for example, that export orders field up by the haufiers' pickets might he permanently lost."

Mr. Jim Main, chairman of Rowntree MacKinguny export division, said yesterday that exporters were being farottled.

The Food Manufacturers Federation is also voncerned

that some of the smaller com

panies in the industry might

not re open when the strike is

of the more enfeebled com-

panies which; have now been

wrthout some vital raw materials for almost a formight

The Ministry of Agriculture reported vesterday that bagged sait essential for small bakeries and many food makers, was at last moving out from ICL and

British Salt depots in Cheshire. Quantities were only small yesterday but were expected to increase holay. The build up of blood and

inedible offal at slaughter-houses, caused by the closure of most of the country's pet food

industry, was also easing yester-

day. Public health officers were

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Moving out

Banks set up £84m credit for **BL** dealers

By john Evans

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AN ACCEPTANCE credit totalling £84m is beiog assembled by a group of Cily of Loodon hanks as, part of the new scheme to inance the vehicle stocks of BL (British Leyland) dealers.

It is one of the largest acceptance facilities — essen-tially a system of bankiog credit extended to a company for trade financing—to be floated in City money markets. The proceeds will be made available to a new organisation, Wholesale Vehicle Finance (WVF), which is scheduled to provide credit to BL dealers from next month.

N. M. Rothschild, the mer chant bank, is syndicating the acceptance facility amoog the

leading City banks. While it has been known for some weeks that such a facility was being diacussed, its size outstrips some initial expecta tions.

It will be the ceotre-piece of WVF's ficaccing operations, adding to the new company's own shareholders' funds and other bank credit lines.

Once fuoctiooing, the arraogements could create more than uni £100m for financing finisbed BL la b CATS

Although the final shape of the WVF operation has oot yet emerged, the National Enterprise Board is expected to take a 75 per ceot stake in the venture. Other ioterests are expected to ioclude United Dominions Trust, the finance house, as well as the pension funds of some oationalised industrles.

The acceptance credit tech-The credit will be activated by the sale by WVF of bills to

the participating hanks, which will he able to re-discount them ារ in the money markets. As such, the bills should carry a rate of interest similar to other 90-day sterling bills.

The scale of the operation represents an innovation for the City. Rothschilds is understood to have closely studied the long-established American techniques for financing dealer car stocks, and adopted elements of British conditions.

BY PAUL TAYLOR November fell for the first time year earlier. in four months, according to provisional figures published showed a 9 per cent rise on the by the Department of the June to August figures hut Environment.

The department estimates ber to November, 1977. that the current price value of Public non-housing or

cent bigher than in the previous the corresponding period a three months and 9 per rent up year earlier. oo the same quarter in 1977.

orders down £113m. in November CONSTRUCTION ORDERS in the corresponding quarter a

Value of building

bousing orders Private were up 21 per cent on Septem-

that the current price value of Public non-housing orders in all new orders won by contrac-the September to November tors during November was period were up 13 per cent on £738m against £851m in the June to August period but October. A year earlier orders down 1 per cent the same were valued at £669m. quarter in 1977. Private indus quarter in 1977. Private indus-In constant price terms, total trial building orders were down new orders for the September 7 per cent on the previous three to November period were 5 per months but up 10 per rent on

Private commercial orders New orders in the public orders were more buoyant, bousing sector in the quarter showing 2.7 per cent increase under review were 7 per ceot on the previous quarter and a down oo the previous three 35 per cent increase over the months and 7 per ceot down on same quarter last year.

Car makers study voluntary fuel curbs

By Kenneth Gooding, Motor industry Correspondent

A VOLUNTARY scheme to reduce petrol consumption by cars substantially is heing hammered out by the Society of Motor Manufacturers and Traders.

Members of the society including importers, are head-ing toward agreement on the project, which it is hoped. would save abont 10 per cent in fuel usage hy tha mid-1980s. This could be achieved only if there were no significant changes in emission control standards.

It would impose considerable pressure on the industry and need many basic cugineering changes, hecause the easy first steps toward petrol savings have already been taken. Since the oil crisis in 1973 there has been an average 10 per cent reduction in fuel used in European car

Work has gone on since early 1978, partly in a joint wnrking party of society representatives and the Department of Energy.

It has been agreed that a mandatory scheme must be ruled ont. The society has been asked for a voluntary statement on what could be achieved.

In the U.S. there is a mandatory scheme, but the Euro-pean industry believes too many problems are involved in measuring fuel consumption

"What the industry wants to achieve is energy improve-ments that the motorist will notice, not just improvements in artificial test circum-stances," said a society nfficial at the weekend.

reduction over their whole range of models in the UK. hut not necessarily spread it

have the advantage of giving companies many options about how to save fuel, and would not restrict design policies. Any scheme would have to

ment with the European Commission working party which has been discussing the same problem.

Some manufacturers defy pickets to get supplies

FINANCIAL TIMES REPORTER

1

UK NEWS

SOME MANUFACTURERS have started to show they are prepared to defy picketing lorry drivers to pick up vital supplies. The CBI said yesterday that it had received reports over the weekend from member companies in the East Midlands that they had started to force their way through picket lines and intended to continue such action this week.

One potato crisp manufacturer is bringing back its 1,000-strong workforce today, according to the CBI, after obtaining three days' supplies of cooking oil. There were reports from Felizziowe docks that picket lines there had been defied by one unidentified manufacturer obtaining raw materials.

An act of faith." was how

NORTH

A GROUP of lorry drivers will meet in Manchester today to try to organise a return to work on the basis of the Road Haulage Association's present 15 per cent offer. The men are claiming that ease the position considerably. there is widespread support for MIDLANDS their point among drivers in

the regioo where a total of 28,000 people have so far beeo officially reported laid off because of the dispute. If there is a good turnout at be meeting the men will march. on the regional headquarters of the Transport and General Workers' Union.

In the region generally, it will production going at least for a few more days in the hope only become apparent whether the new TGWU code on supplies might start to move picketiog is being observed by, the more militant drivers. again.

With many factories closed Mr. for the weekend, picketing has the eased but there were few signs ,the on Friday that the men were Industry, described the position last night. yet willing to give up their blockade of iodustry. Brockhouse Engineering, at

A mass meeting of lorry which Mr. Parkes is Managing drivers in Hull will reconsider today the TGWU code of Director, received deliveries of steel last Friday for the first conduct which many companies, time for three weeks, but it already beiog strangled by remained to be seeo whether militant local strike committees, that improvement could be fear will be rejected. meintained Mr. Parkes said. There are now 85.000 workers

aid off in the North, according to the latest CBI count of its members and the figure could. double by this weekend. In Yorksbire and Humberside 35,000 workers have

already been sent home and the figure could reach 70,000 this week. WALES 👘

MANY MANUFACTURERS in Wales will be closing their plants at the end of the week plants at the end of the week by striking lorry drivers in even though picketing is easing. Ulster appears to have had little in certain areas.

All exports are beld up at docks, supplies of lime are seriously threatened because of rail strikes and manufacturers cannot get raw materials because of beavy picketing out-side the region. Pilkington closed two plants

Papers gain from Times closure

plants will keep working for only another week if the picketing does not ease. Mr. George Wright, the Trans-

Vale, Trostre and Velindre are to be laid off this morn-

More effects of the lorry drivers' strike In the rest of the region; a week-but because it cama at significant number of hauliers have apparently settled and are the weekend, disruption was minimal. back on the road which could As in other parts of Britain, the number of lay-offs in indus-try, at about 18,000, has not increased to the level forecast.

But many companies are feeling HOPES OF averting further the pinch. More lay-offs are farge-scale lav-offs in the Midexpected this week at Courhands this week depend on the taulds, near Belfast. response of lorry orivers to the unioo instruction to end British Enkalon, which employs more than 2,000 people at Antrim, will decide today secondary picketing Many companies, which were last week thinking of closing, whether to cut production because of the build-op of appear to be prepared to keep finished goods at the plant.

exporters: were being fimottled. "Some of the 3,500 jobs, created by exports could be lost for good," he claimed. Among exports blacked are Smartles for Anstria and a ship-ment of Easter eggs for Japan. Farming could continue to suffer in the longer term from the losses of production caused by feeding spinals on emer-gency rations. Egg production is already down shoul 20 to 25 per cent and young birds being prepared for the egg production line have suffered. Because of uncertainties over 1 feed 'supplies' humers have reduced their intake of chicks and young birds for fistening This could reduce sapplies of meat and eggs lator in the year. The Food Matnifacturers' Michelin has reduced tyre production at its two factories because raw materials are not getting through. Tobacco pro-Reg Parkes, chairman of West Midlands Region of ducts manufactured by Gallaher are stockpiling hecause export orders cannot be dispatched Confederation of British The two sides in the dispute

may meet again this week after the informal talks which were arranged by conciliation officers, from the Northern Ireland Labour Relations Agency,

LONDON & SOUTH

ALTHOUGH picketing in. London and the southern areas BL Cars, with its heavy dependence on the component was patchy over the weekend. many companies. reported that Margins in the food Huuser supplies were not getting have been dangerounly slim for through. Secondary picketing have been dangerounly slim for was still in evidence. the past three years and it is: the past three years and it is. suppliers and metal industries of the Midlands, plays a leading role in the pace of activity in the local economy. The company has so far kept lay-offs to about 2.000, but warned last cards are getting through picket lines at the docks at night that the position was being reviewed daily. Southampton. Some cheese meat and animal feedstuffs was moved over the weekend but THE 48-HOUR clampdown on no newsprint or containers were

taken out. the movement of essential goods James Burroughs ; which makes Beefeater Gin, said effect. Their blockade of the yesterday that production will ports was called after the death have to be run down this week yesterday that production will of a picket in Aberdeen last when it runs out of glass,



Steel Corporation's 6,500 procarried in lorries not used in duction werkers at Ebbw

the dispute.

supervising removal, and disposal in lorries and lankers. Supplies of citrus fruit were

The corporation commented: "Very few of our customers

FLEET STREET "quality" The Observer says that the The Guardian said that

BY STEWART DALBY IN DUBLIN MR. MICHAEL O'KENNEDY, Province, He called oo Britaio to initiate a dialogue aimed at the Irish Foreign Minister, 1s to visit London this week, prob- finding a political solution to the Province's problems. ably on Wednesday, for a meeting with Mr. Roy Mason, the Mr. O'Kennedy's speech was

Irish Foreign Minister

meets Mason this week

Secretary of State for Northern the first major pronouncement : by a Dublin Minister for almost Ireland. The Foreign Ministry in a year. In February, 1978, Mr. Dublio stressed that this is one Jack Lynch, the Prime Minister, sbould take place from time to

Provisiopal IRA in the UK and Northern Ireland The two men last met in October 1978 when almost by accident both Ministers atteoded

a soccer match in Dublin made an attempt to revive the debate on Northero Ireland. Two weeks ago be said the

Tax deposit interest

of the regular meetings that the called on Britain to give some two countries agreed last year kind of date for withdrawal of its troops. The acceptance creat tech sound take plans to point As the violence seemed to oique, long used in trade time and was at pains to point As the violence seemed to financing, will provide a par- out that the visit is not lessen for most of last year, ticularly flexible method of specifically in direct response to however, the Dublin Govern-fioancing dealer car stocks, the campaign of violence by the meot seemed to have left the issue in obevance.

But with the upsurge of violeore, Dublin is again making noises about some kind of political movement in the Province. Mr. O'Kennedy said his between the Republic and main interest was seeing some Northern Ireland, Tbey held kind of talks between Britain talks afterwards. However, and Ireland and the two traditalks afterwards. However, and Ireland and the two tradi-since then, Mr. O'Kennedy bas tions in the North getting under way. He also said greater prosperity in the Republic could belp Ulster.

Republic could not allow It is thought likely that talks aoother year to go by without hetween Mr. Mason and Mr. stocks, and adopted elements of some attempts at ending the O'Kennedy will concentrate on U.S. methods best suited for violent stalemate in the political problems.

As with the American scheme, British manufac-turers are likely to spread the

evenly. A voluntary "target" would

involve a measure of agree-

rates rise

By David Freud

INTEREST RATES for certificates of tax deposit have been raised from today.

The certificates, operated by the Inland Revenue, may be bought to advance for surrender in payment of all taxes except Pay As You Earn and tax deducted from payments to subcontractors.

The interest rate increases from 12.5 to 13 per ceot on new deposits accepted uoder the terms of the proapectus for cer-tificates dated August 29 snd applied to payment of tax.

The rate oo deposits withdrawn for cash increases from 10 to 10.5 per cent. The bonus payable on deposits applied in payment of tax and held for more thao six mooths remains at 1 per cent.

Pensions rise 'should have been bigger'

By Eric Short

OLD-AGE pensioners are receiving less thao they are entitled to, Mr. Hugb Faulkner, director of Help the Aged, says in a letter to Mr. David Eunals, Social Servicea Secretary.

He aays that the last pensioos revision, in November, abould have given a single person f19.81 a week instead of f19.50 and a married couple £31.70 instead of £31.20.

The rise, 11.4 per cent, was based on ao estimate of the movement in earnings hetween Novmber 1977 and November 1978. However, the actual movemeot in the earnings index for the period, published last Wednesday, was 13.2 per cent.

Mr. Stanley Orme, Peosions Minister, told the Commons on Wednesday that he was under no obligation to make good any deficiency in the forecast, but the Government would be taking the shortfall into account in its review in the spring.

Security men continue strike

LIVERPOOL'S 80 security men who patrol parks and recreation grounds decided yesterday to continue striking over the suspensioo of three colleagues. They refused to work in St. John's Gardens in the city centre without more back-up

support and pay. Gravediggers and crematorium workers in the city also on strike today plan indefinite stoppages from Wednesday, over pay and conditions.

day, have benefited from the of the pressure oo advertising closure of Times Newspapers space in the newspaper. It could over the past 50 days. Some have gained substantially. The Observer put up its dis- to 48 pages.

play and magazine advertising rates by a third last week, and plans to put up its classified rates by about 29 per cent from February 4. The Sunday Telegraph is now thinking of following suit.

The Observer's circulation is next month.

This compares with a circula-tion of 700,000-750,000 in the Observer, and about 850,000 last year for the Sunday. Telegraph.

The paper admits that it has had complaints from advertisers, but most understand

that the extra costs of printing three maio sections instead of two, had to be covered, The increase in sales represented a 60 per cent rise over.

now claimed to be around 1.1m, the same period last year, and while the Sunday Telegraph says thus advertisers were "getting it will be at the 1.2m mark a hetter deal" from the new rates, The Daily Telegraph has re-

ported a rise of 70,000 copies in the past month-about 5 per rent increase. It has no plans to raise its advertising rates.

"very much," but would not say how many extra copies were printed. being It fared difficulties because the Daily Mail presses it was now using were slower than those at Times Newspapers, where Guardian is normally printed. The paper added that the closure of The Times had coincided with a promotions drive, when it would expect to put on copies anyway.

The Financial Times, which also had a promotions campaign over the period of Times News-papers' closore — said that it had "benefited only slightly." Although it had not planoed to put on more copies, it was doing so to meet extra demand from oewsagents.

rs, both daily and Sun- price rise is necessary because demand for copies had gone up port Workers' Weish secretary claimed that up to 40 haulage companies bave oow signed new wage agreements. Only one major haulier was left bolding out in North Wales.

He expected many more to the break ranks from the Road Haulage Association in the next few days ucless the Advisory Conciliatioo and Arbitration Service mediation in Londoo produced a countrywide settlement

SOUTH-WEST

THE NUMBER of threatened lay-offs in the ... South-West is ... not clear. Haulage companies in Devon aod Cornwall are still working normally, because the local RHA agreement does not expire uotil the eod of the month.

ing, bringing steel industry layoffs to 25.000.

ULSTER

Lorry driver pickets operating round the clock have almost stopped deliveries of findlate in and out of the corporation's three works in

South Wales. Lifting secondary picketing has made moving tinplate little easier. Members of the strike-bound Road Hanlage Association normally handle most deliveries to and from the works.

The three works are essen-tial sources for Britain's canning industry and . a. long closure will have serious con-sequences for food and drink manufacturers.

British Steel said that the union had promised to allow ont tinplate used for food have their own' fransnor were unlikely to recall ships already diverted from British available for the collection of timplate."

line factory in Carlisle from

today. A further 800 will be

sent . home by Wednesday

from its Hull factory.

continues.

ports to the Continent. Metal Box, the main customer for South Wales The Ministry reported that picketing of food depots fac-tories and stores had eased at the weekend Particularly noticeable was the relaxation of strictures of animal feed tinplate and leading manufacturer of cans for the food industry, has laid off. 200. workers at its Nurthern Ireland "open topped" factory and 370 at its general line factory in faritists from materials in North Humberside.

Airport closed

NORWICH AIRPORT will not operate today because of the storingse by the Metal Box employs 8.500 people at its 14 plants making one-day stoppage by the National Union of Fublic Em-ployees and the transport workers tinion. Over 500 pass. "open topped " ware for the fund and drinks industry and a further 7,100 people at its other factories. More people may be laid off next week if seogers, mainly from Amsterdam. Scotland and the oil-fields, have had their flights cancelled. shortage of tinplate

United Biscuits to raise prices

Britisb Aerospace during his

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE PRICE Commission is to consumers buying power on the to 10p. This increase had been allow United Biscuits to put up company'a price structure as sought by the newspaper last prices for a range of biscuits, well as the effectiveness of the November but had been frozeo crisps, nuts, and savoury snacks company's productivity mea by the Commission's decision to by just under 4 per cent. aures. But the Commissioo also The 3.96 per cent price rise

announced that it still planned was allowed under Price Comto go abead with an investiga- mission discretionary powers. has allowed the rise to go ahead tion into the background to the The Commission has also although it is still continuing prire rises. It should be com- made use of the same powers to its investigation, due to be com-pleted by late April, and will allow the Daily Telegraph to pleted by the middle of next include a study of the effects of implement a 1p cover price rise

Mulley may discuss arms

with Australian Minister

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

POSSIBLE Australian purchases

of UK defence equipment and the changing strategic situation

in South-East Aaia are expected

to be on the agenda this week when Mr. Jim Killeo, Australian

Defence Minister, visits Britain for talks with Mr. Fred Mulley,

Although Australia has ostensibly ruled out any im-mediate purchase of the

Secretary for Defence.

investigate the rise.

Following representations from the newspaper, the Commission has allowed the rise to go ahead month

> Peterborough port scheme

The city is about 20 miles inland oo the River Nene, but the possibility of attracting seaboth Britisb Shipbuilders and borne trade has been investigated in the llgbt of the Gov-ernment's overspill programme which will boost the population The overall defence situatioo in South-East Asia and the South Pacific is also likely to be to 160,000 by 1985.

Tornado multi-role combat air- of major interest to the two craft, the UK has not given up Ministers, in the light of the craft, tha UK has not given up Ministers, in the light of the hope of selling the alrcraft Vietnamese Cambodian fighting. The report says that the project is feasible on engineering grounds, but an acceptable commercial rate of return on the large investment involved could

all of the mooey for such a scheme would bave to be provided by central government. There will be benefits such as extra jobs, improved transport aervices, improved flood protec-tion and scope for more recreation, and these will need to be taken into account io assessing the overall viability."

Seveo local aod authorities have been iovited to give their views to the Department of the Environment.

THE COST of building the disagreemeots have hardly been of this particular kind of flbn, however. These include massive oil terminal at Sullom, surprising when so much was at bunker oil. Voe in the Sbetland Islands, stake, but, at the weekend, for a The booms, which at first oil storage tacks, taking the has risen inexorably since the few brief hours at least, the corralled some of the nil in the first plans were tentatively laid warious parties contrived to set harbour, failed, and much of it loading pumps and a fifth jetty in the early 1970s. By the end aside past differences to cele ended up on the surrounding for the exclusive loading of of 1981, the oil companies hope brate the official inauguration of shores. Dr. Tom Harris, the liquid petroleum gases

BY KEVIN DONE, ENERGY CORRESPONDENT

ning application to build a or re-injected into the reservoir, modest £20m tanker terminal to ... But all the parties can now receive oil from the Breat Field. Already, further addi-tions to the terminal are planned which will take the

cost beyond the fibn mark; and as the development of more oil fields in the prolific East Shetland basin is approved, the oil companies will have to face the decision of increasing the capacity of the terminal to as much as 2m barrels a day.

was first proposed. Extra costs

public

NEWS ANALYSIS-SULLOM VOE OIL TERMINAL

Far from end of a costly story

or a crude oil terminal and port the terminal. Ine terminal manager, said that that will be capable of bandling towards the end of November. Some chemical dispersants had a day from tha North Sea, facilities will not be ready for the chemical dispersants had enough to meet two-thirds of the, another two years or more, the films of oll on the sea, but they UK's oil consumption... On erude oil is still baying to be were ineffective against the the meantime,

UNS ON CONSUMPTION. OR erude oil is still baving to be were ineffective present estimates that project stabilised offshore. The natural thicker deposits, will cost £813m. gas and natural gas liquids are in the mea But that wilt be far from being separated from the oil at restriction on thes the end of a story which began the production platforms and using the termin in 1973 when Shell made a plan-either flared into the atmosphere tonces dwt woul using the terminal to 100,000 tonoes dwt would remain in begin to see some small return for their investment and effort, More than 1.5m tonnes of crude oil has been loaded out aooard more than 20 tankers. The participants can also beein oli industry. Dr. Harris said that about 500 to count some of the extra costs.

tankers will visit the terminal this year and about 650 next Three weeks ago-only a month after the first oil arrived —the terminal suffered its first big pollution accident when year. Crude oil throughput by. the end of this year should be up to 900,000 barrels a day, 1,150 tonnes of heavy bunker rising to 1.3m to 1.4m barrels The task of building the fuel oil spilled into the har-terminal has turned out to be hour, eventually polluting a far bigger job than any of the several stretches of rocks and participants realised wheo it, heaches around Sullom Voe. a day at the end of 1980. The hour, eventually polluting presect throughput is \$20,000 several stretches of rocks and barrels a day 50,000 barrels heaches around Sullom Voe. It was an issue that could not 20,000 barrels a day from be ignored at the weekend Mr. Heather, 100,000 barrels a day Robert Bruce, Lord Lieutenant from Thistle and 150,000 from of Sheiland, said that the con-Dunlin, Construction bas been marked fidence of the Shellanders that Mr. Ted Ferguson, by endless wrangling between the oil industry could operate struction manager at the termore than 30 oil companies in without causing a mess had minal, said the 1813m project volved in exploiting the offshore been seriously damaged. Both for a 14m barrels a day tervolved in exploring the onside over schools transferred, both for a 1.5m parrels a day ter- for taking the parrels a day ter- for taking the parrels a day ter- for taking the parrels a day of the parrels a day ter- for taking the parrels a day of the parrels a day ter- for taking the parrels a day of the parrels a day ter- for taking the parrels a day of the parrels a day ter- for taking the parrels a day of the parrels a day ter- for taking the parrels a day of the parrels a day ter- for taking the parrels a day of the parrels

total to 18, two more crite oil

COO-

By the beginning of this year, \$400m had been spent on the terminal. Labour costs are expected to account for 12.5 parcent of the final project costs.

More equipment

In May, the fill comparies in-volved at Sullem Voe will hold their annual meeting to decide what quantities of oll they in-tend to pai through the terminal in four years time. Since the last meeting, BP has decided to go ahead with the FL25bn develop-ment of the Magnus Field, which will be produced through the Ninian nineline system intorestriction on the size of tankers force, at least until Easter. Repairs to the damaged jets should be complated within a few months and Mr. Chris Eoois, the council's mance. director, has made clear that all the source with the source of the source the costs will be boxoe by the the Ninian pipeline system into-Sullom-Voe.

Other fields to the east of the Sketlands such as North West Hutton and Hutton are also expected to go shead in the next year, which could persuade the companies to upgrade the facilities of the terminal to handle up to 2m barrels a day of crude off, the limit of the two pipelines. This would mean building one or two more crude stabilisation process units and other equipment costing as much as £200m, said Mr. Ferguson

Ultimately, the terminal has been planned to have a capacity for taking in barrels a day of crude off but that would mean

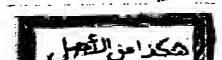
UK leases Japan DC-10 BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

visit.

British Caledonian Airways donian next month as part of signed a \$58m cootract to lease the Japanese Government's pro-a U.S. McDonnell Douglas DC-10 gramme to trim its country's

tri-jet for 10 years from Orient trade surplus. lapanese companies have Leasing of Japan. The deal includes the \$39m leased out six wide-body jets

purchase cost of the aircraft under the scheme: two each to and interest charges of 8.25 per Spantax of Spaio and Singapore cent a year over 10 years. Orieot Airlines and one each to British Leasing will buy the aircraft Airways and Maersk Air of and deliver it to British Cale- Denmark.



costed at £45m IT WOULD coat £45m to dethere, and there is continued velop Peterborough as an in-land port, according to a report from the British Waterways Australian interest in UK warships, such as frigates and guided missiles. As a result Mr. Killen ia Board. expected to meet officials of

not be found. It adds: "Most and perhaps

UK NEWS – LABOUR



COMPUTER STAFF helonging this month on the claim for a to the National Union of Bank new salary structure.

The company has its main Employees, working et the Joint Credit Card Company, computer complex at Southend Access is jointly owned by three of the big four clearing which processes Access transactions, ere threatening indusbanks. trial action in o pay parity

Manchester bus crews stop work

action, on which a ballot is BUS CREWS in Greater being held, might cause delays Manchester arc to stage a to hills for purchases made by one-day stoppage today. A Access card. total of 7,000 men are resuming "The compony has started to the programme of disruption employ computer contract staff which has now heen running

Law cannot stop trade unions abusing power-Lord Denning

FINANCIAL TIMES REPORTER

LORD DENNING, Master of the Rolls, declares that the law can do nothing to prevent abuses of power by trade unions. Moreover, any intervention by the law in trade disputes would provoke such resentment that it would only make matters worse.

and nothing to prevent abuses of power by trade unions. More-power, any intervention by the ist is, nor to criticise it. While the common law has ing to do with trade disputes. While the common law has ing to do with trade disputes. While the common law has groups of employers abusing good sense of the parties and not by the judges." They are to be solved by the restraint." Lord Denning says that it have sometimes overturned his radical decisions. "The strict constructionists at this, nor to criticise it. "The strict constructionists and no doubt with reason — Court of Appeal is atill bound that the law should beve noth-that the law should beve that the law should beve noth-that the law should beve that t done much to stop powerful groups of employers abusing power, it has exempted the trade unions. "Parliament has granted them immunity," he adds.

In a book, The Discipline of courts as Master of the Rolls the Law, helog published to and presiding judge of the mark his 80th hirthday tomor- Court of Appeal. Tha Lords row, Lord Denning says that it have sometimes overturned his

Staff cuts at Belfast Ropework

BY OUR BELFAST CORRESPONDENT

at selary rates in excess of what since early December io support. is paid to union members. We of a pay claim. Other services maintain that if there is a will be seriously affected by form by about a Stip between 60 and 70 of its 330 are under severe pressure from

Engineering union accused

of bending the rules

BY ALAN PIKE, LABOUR CORRESPONDENT

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union's rules After several years of grustrated attempts to develop the AUEWs four, federal sections, into a fully merged

are at present complete the ama this way latest

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OPERATING RESULTS

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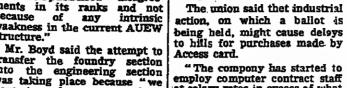
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Retained profit for the year

BT ALAN PIKE, LABOUR LUMICS UNDER complicated by need to respect the separate Union of Engineering Workers political considerations—TASS identity of industrial or occu-engineering section have been is Communistical while the accused by TASS, the section engineering section is now present stage of technical and for white-collar staff ef. a firmly under Rightwing control. social development, it was militateral attempt to liter the Another difficulty is the necessary to retain sectional militateral strengt to liter the parallel discussions being held After several years of by the engineering section with frustrated attempts to develop the Electrical and Flumbing the AUEW's four federal Trades Union on a possible framework which could attract other unions. amalgamation. other unions,

inion, the executive of the Under the existing proposals "The AUEW is failing to dominant engineering section is for completing the AUEW attract other unions because of recalling its national committee amalgamation, the four sections next month in a new bid to would retain their separate break the dealock." to clear the way for a full John Boyd, engineering general structure." transfer of one of the sections secretary, the TASS executive Mr. Bow

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E GEDULD imited shares of 50 cents each Quarter	Orarter	Quarter sode December 19 Quarter ende Year September 15	d 78 7 458	568 46.4 122 34.5	34.63 .1 007 48.43 1 602		13.84 15.42	PRESIDENT BRA President Brand Gold Mining Compa	iny Limited	-		Dedoct: Appropriation and transfer Capital expenditure (account of consomer (after takino	ininided)		4 98
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Gold 153 1225 8 461 13219 30.51 2 493 30.51 2 493 2 493 2 19 8 305 2 19 8 305 2 2 200 8 305 2 2 200 8 305 1 4 755 1 4 755 1 4 755 1 4 550 1 4 550 2 1 4 550 2 1 4 550	5 839 13.31 31 167 143.82 28.59 2.148 5 496 197. 8000 65 869 23 984 39 885 647 1.502 42 034 21 430	642 No. 2 3 370 Video lease a 12.78 43 065 Quarter ande 2 074 September 10 2 0 Quarter ende 0 2 0 10 1 42 523 Year ended 1 42 523 September 10 2 0 2 10 2 0 2 10 1 42 523 September 10 2 0 2 10 2 0 2 10 2 0 2 10 1 1 2 2 10 2 0 2 10 1 1 2 10 1	d 639 1 78 639 1 775 744 1 775 2507 1 775 270 1 78 270 1 78 270 1 778 314 1 70 1054 8 d 78 489 d 78 846 78 2153 4 Idend of 30 cetts 1 cates 1 clared on October max paid on December	525 133.6 514 102.5 410 120.7 114 92.7 174 92.7 134 84.4 574 78.2 shoped by Presiden 52 36 13.1 440 13.0 19.78 bayable ber \$ 1978.	5.40 721 4.23 433 3.99 451 12.35 1 194 8.82 744 5.97 467 nt Brand (Not Inv 266.15 3 450 140.92 1 546 133.38 1 734 beet of the year to membera regi	0.23 0.21 0.24 0.25 0.13 coded above 2.00 1.f2 1.14 ended Senter istered on, No	23.52 24.83 21.78 21.78 22.00 11.63 25.90 14.58 14.77 mber 30 overhear	Tons milled 000's Yheld—W1 Production—kg. Cost—R/ca mined —R/kg produced PRICE RECEIVED ON SALES Gold—R/kg —Star FINANCIAL RESULTS Gold—Revenue —Costs —Pro&t Joint Metallirgical Scheme profit Net sundry income (expenditure) Probt beforg taxation and State's share of profit	781 9.62 7 324 140.59 27.55 2 662 8 043 216 8 043 216 8 043 216 8 043 216 8 043 216 20 963 23 538 2 379	803 9.42 7 567 130.87 27.50 2 918 5 359 192 R000 42 120 22 084 20 035 1 979	3 146 9,53 29 989 127,35 25,14 2 637 5 587 193 R000 162 032 79 983 82 949 6 317	No. 3 shaft Advance Oepth to date Station cutting OEVELOPMENT Basal reef Basal ree	metres channe wooti 310 108.5 374 85.3 1 238 97.0 95 173.0	111.9 2 195.4 659.1 Sample gold g:t 9.44 9.33 8.31 4.20	led <u>cm.o.</u> t kg.t 1 024 0.41 S15 0.44 808 0.33 · 484 0.11	met 401 2 032 2 320 ranium cm.log 44,13 0 34,47 2 31.0- 2 31.0- 2 1.43
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dispute.

More than 900 are involved.

They want increases of up to

25 per cent to hring them level with Midland Bank employees

doing similar work.

% Capital expenditure: Joint Metallurgical Scheme Joint Metallurgical Scheme	10 208 10 10 159 14 1 330 1.90	9 38 554 15 1 162 5 \$ 0\$1	high-grade area of the ND. A mast which caused a single prada. The fire exclinguished and the area is being rehabilitated. For and on behalf of	
Loto Levies calmated SHAFT SINKING No.5 main shaft	metres		G. S. YOUNG	Oirectors
Advance Depth to date Station couling No. 5 ventilation shaft	229.5 365 1 057.8 838 542.4 43	5 038.3		
Depth to date	339.8 428. 1071.7 731. 354.9 23.	9 731,9	WELKOM Welkom Gold-Mining Company Limited	
Stevelopment	Sampled		ISSUED CAPITAL: 12 250 000 shares of 30 cents mch.	
Advance metres channel		uranium	Creater Quarter	ended Sept. 1978
Shaft area	nit cm.g/t	igit em.kgit	OPERATING BESULTS	590
Basel reef No. 1	30.90 1 137 92.48 1 1 19 28.44 957	0.24 8.84 0.80 9.67 0.35 11.73	Area mined-concares 000's	2 184 8,09 15 303
No. 4 1469 282 514 No. 7 1398 86 235	125.12 6 431 10.51 435 1.08 63	0.41 20.84 0.88 20.75 0.03 1.72	Troduction kg 3 106 5 526 Coat R ca mined 111.43 104.51 	102.91 23.56 5 868
No. 9	9.68 694	0.33 23.37	Addition	5 380
Quarter coded December 1978: 13 425. 1 240 32.1	69.35 2 225	0.42 13.58	FINANCIAL RESULTS BOOD ROOD	R000
Gwarter ended September 1978: 12 975 1 194 33.3 Year ended	78.15 2.739	0.43 13.02 0.47 18.19	Gold Révenue 18 762 10 902 Costs 13 81714 004	71 781 31 455
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December 1978 144. 52 130.0 Quarter ended	4.84 629 2.12 299	0.30 39.29 0.11 13.95	Profit: battore sociation and summe a manual 8486 5474 of profit toottor and States share 8013 1814 of profit	22 41 1 9 832
Year ended September 1978 1 567 1 048 175.6	2.73 487	0.12 21.24	Profit after taxation and State mathema S'473 3 500	12 779
Kimberley reef No. 7	3_31 332 0.35 36	0.03 5.41 0.04 4.04		
Charter ended December 1878 744 230 157.9 Quarter ended	3.20 596	0.03 5.33	Deduct Anorgowistico: Capital expenditure (witer taking Biccount of consense leans) Dividend -toppin	-3 682 3 002 4 900
September 1978 2.028 354 174.5 Your ended	4.48 781	0.04 7.29 0.04 S.37	Retained profit for the year	4 900
No.1	3.75 004	0.04 0.37	Control anneaditions .	.3 193
Guerter ended December 1978 33 54 241.2 DIVIDENCIS		0.01 3.41	-Joint Metalfurgital Scheme	.3 193 381 1 079
The "has dividend of 185" conts per share to 30 1928 was decisred on October 19 197 November 3 1978 and was paid on December	a paysols to member 8 1978.	s registered on	Advance Sampled	hum
30 1975 without of the courts ber alter to November 32 1978 and was paid on December Camital 21978 and was paid on December Orders above Sec Outstanding on Capital totalied R12 724 000 of which R319 000 was	rontracts as at Decer in respect of the metalli	mber 31 1978 urgical comolex,	em git em.git kg/t	cm-kert
	For and oo beh G. LANG -G. S. YOU	TON) Directors	Shaft ares Basal reef Bits 10 24.2 15.99 387 0.36 No. 1 1122 218 8.5 89.41 760 1.09 No. 8 1122 218 8.5 89.41 760 1.09 No. 8 1122 218 8.5 89.41 760 1.09 No. 9 115 9.1 88.02 019 0.98	8.80 9.30 8.72-
January 19 1979			No. 3	8.72
PRESIDENTSTEY	N	• .	Ownstar ended 3673 342 9.2 75.30 702 9.58 December 1970 2.018 810 13.3 69.11 933 0.82	9.09 11.01
President Steyn Gold Mioing Company I and its wholly-owned subsidiary, Video	Limited Mining Company L	imited	Year ended Settember 1078 10 421 1902 -16.3 75.40 1 229 0.95	13,41
ISSUED CAPITAL: 14 368 400 shares of 50 ce	nts each		0" Reef No. 1 Guarter ended December 1976 \$2 48 1\$3,5 1.95 355 0.02	4.51
	Quarter Quarter ended ended ec. 1978 Sept. 1970	Year ended Sept. 1978	Decisibler 1978 12 48 183.5 1.33 338 B.02 Quarter ended Softenber 1978 53 -	. —
Area mined contract 000's	168 191		September 1978 472 240 .159.5 1.13 181 0.00	7.39
Area Intradice allocations 000's Area Intradice of the second se	813 866 7.13 7.52 0.796 0.518	7,87	No. 3	27.84
wrond, milled	147.30 124.47 29.35 27.45 4 117 3 649	121.23 28.21 3 331	Guarter-anded December 1978 466 244 125.0 4.11 505 0.15 Quarter-anded September 1978 479 236 109.1 3.63 396 0.19	23.77 21.14
Gold - Rike	8 039 3 864 210 200 R000 R000	5 378	Ven ended September 1978 1 551 922 128.0 4.12 527 0.23 Internediste reat	29.39
FINANCIAL RESULTS Gold Revenue Costs	R000 R000 35 322 37 595 23 882 23 774	R000 138 212 05 347	No2. Quarter ended	
Prost	11 480 13 922	32 863	September 1978 181 00 186.5 1.19 221 0.31	28.46 57.50
Profit heter	1 273 1 239	3084	Year Anded September 1978 410 230 199.4 1.00 200 0.25 Divident State of 40 cents for the set of the year and set.	50.12
Provision for envalues and Statule share	12 297 10 713 5 257 7.927		DivideNos The Shal dividend of 40 cents per share to respect of the year coded Sept 1978 was declared on October 19 1978 payable to members registered on to 3 1978 and was paid on December 8 1978. CAPITAL EXPENDITURE	November
of arour texture and states share of erofst	7 040 8 785	:	REST 000 of which 8331 000 was in respect of the metallargical complex.	D. COLANIEO
Deduct: Appropriation and transfer: Capital expenditure (after caking account				Oirectors
		24 193	January 19 1979.	
Loan livites-net Dividend—Inserten —înși		4 370 7 283	ANGLO AMERICAN CORPORATIO	DN İ
Ratabed profit for the year		1 249	OF SOUTH AFRICA LIMITED	
Capital Antiputer Monolarmical Schame.	2 584 4 182 219 414 - 440 925	10 310 1 805 2 038	NOTE	
SHAFT SINKING No. 4 sub-vertical shaft system Advance	metres metres 24-9 87.9	metres. 308.0	Development values represent actual results of sampling	
Advance Depth to date Station Gutting	647.4 822.5 363.1 56.9	822.5 1 028.9	allowance having been made for adjustments necessary in estim ore reserves.	
DEVELOPMENT Advance	Sampled	·	The Transpaal Group's results appear on another pag this paper.	e in
Autorite: Interes Instrum channel Widta	gotd g/tk	eranium elt cm. ie. *	Copies of these reports will be available on request from	the
Shaft area			offices of the Transfer Secretaries Charter Consolidated Limited, P.O. Box 102, Charter Ho	ouse,
No. 4 2 697 376 53.4	65.79 2.408 0 28.02 1.490 0	109 28.20 72 <u>26.35</u> 17 9.08 17 9.08	Park Street, Ashford, Kent, TN24 8EQ. LONDON OFFICE: 40 HOLBORN VIADUCT, ECIP 14	ur I
Video laise snee <u>1140</u> <u>210</u> S8:5				

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YOUNG	Oirector	5 Capital expenditu of consumer I Loan levice-ner Dividend-interin fipal	GARSI				
		Retained profit i	for the yea	ır	:		
·	M	Capital expendito					
d 978	Year ended Sept. 197	Inint Meta	livingical Sc bimated	hama		8 399 5 643 1 113	12
134 554 -00 526 -51	2 18	4 Control Laboration of the		terration .	and a		
526	8,0 15 30 102,9 23,5	State's share of and its subsidiar	profit of	the compa	INY	•	
28	23.5		ompany Li minority	mitted-af	tar		
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902 304	71 78		Advance	metres	charpel width	00	d
	20.32	Shaft area		•	CIR	5,9	cm.g.t
196 32) 508	2 08	Basal reef	321	14	20.0	250.90	3 290
174	22 41	No. 2	3 143 807	204	43.1	28.54	1 287
14	9 833	No. 4	3 763	320	142.0	15.3\$	2 181
500	12	Quarter ended December 1970	8 034	622	91.4	20.01	1 829
	12 77	Quarter anded September 1978	5 843	932	98.9	17.59	1 789
		Year anded	32 100	3 064	85.3	23.92	2 159
	-3 583 3 000 4 9 00	Leader reet No. 1	029	304	128.9	5.95	755
	1 133	- NO. 5	1 364	464	117.7	3.32	826
	.3 193	Quarter anded	8 183	768	121.3	5.58	577
510 528 205	1 079	Quarter anded September 1970	2 164	505	138.9	3.00	694
•		Year ended September 1978	8 048	2 530	134.1	5.89	753
013	okum	in sidition, area	m				
	cm-kg	Basal reef					
0.36	8.80	Quarter anded December 1975	489	52	13.0	266.13	3 460
86.0	9.30	Quarter anded Beptember 1978 Yasr ended	648	38	13.1	140.92	1 848
0.98	9.09	September 1978	2 180	440	15.0	133.38	1 734
0.82	11.01	DIVIDENDS				and the second	
0.95	, 13,41	The final divider September 50 19 on Novamber 3 1	78 was det 1978 and w	cents per clared on las paid o	o Decemb	SCOCK IN 19 1978 p. 1978 p. 1978	respect of symble to m
0.02	4.51	CAPITAL EXPEN					
·	. —-	R17 250 000 of	d outstand	ng on cas 2 547 000	was in	racts as at respect of	Occember the meta
0,00	7_39						r and on be
0.18	14.70	- January 19 1979			-	υ,	A. ETHERE G. S. YO
0.15	23.77	3811201 13 1373		· •			
0.19	21.14						
0.23	29.39	FREES	STAT	ES/	AAI	PLA	AS
0.32	28.45	Frea Slate Saa					
0.31	57.50	ISSUED CAPITAL					
0.25	50.12					Quarter	Quarte
ded Sept ered on	ember 30 November	OPERATING RES	101 TS		D	ended cc. 1978	ended Sept. 197
		Gold					
molex.	8. totailed the board	Toas milled 0	00's		-	81 306	3
USBET	Olrectors	Yiald—B/t			•	3.58	3.
SONO/		Cost-R/ca m	ned		•	117.44	118.
		R/ton m R/kg pp	odaced			23.41 8 542	23,0 8 87
ATI	DN	PRICE RECEIVED	ON SALE	5			•
		Gold—Rika Sjaz			•	5 981 214	34
TEN							

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Profit (loss) b share Of Pfi

of prout

Profit (IOSS) after texation and State's sharo of profit

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nal							11 934	
afit f	or the year	ur				•	2 829	January 19 1979
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TED pro	PROFIT Int after profit of	texation of	nd Loy				•.	ISSUED CAPITALI 7
: 0	mpany Li mbority	mited—af	tar					OPERATING RESUL
				18 864	17	385	81 058	Area mined—cent Tons milled 000's Yield—gt
	Advance			Şar	npied			Yield-prt Production-kg. Cost-Rica milled —Rica milled —Rica produce PRICE RECEIVED ON
	metres	metres	channel	00	ka 👘	uf:	ntam ,	
		•	width cm	9,7	cm.g,t	kg/e	em.kgjæ	Gold Ring
••	321	14	20.0	250.90	3 290	1.40	20.84	FINANCIAL RESULT
	3 143 807	204	43.1	28.54	1 287	0.19 1.40	8.50	Gold-Revenus
	3 763	320	142.0	15.3\$	2 181	0.06	8.08	Joint Metsilurgical S Net Sundry Income
70	8 034	522	91.4	Z0.01	1 829	0.10	9.50	
d 978	S 843	932	98.9	17.S9	1 789	0.09	9.29	Profit before taxation of groat Provision for taxation
978	32 100	3 064	85.3	23.92	2 159	0.11	9.43	of profit Profit after taxation of profit
	029 1 364	304 464	128.9 1 17.7	5.95 3.32	755	0.23 0.27	29.03 31,54	Appropriation and tra
d								of consumer loans) Loan lavies net Olvidend Interim
78 d	8 183	768	121.3	5.58	577	0.25	30.54	
970	2 164	SOS	138.9	3.00	694	0.24	33.44	Retained profit for t Capital expenditure
from yn	\$ 048 n	2 530	134.1	5.89	753	0.24	32.14	
d 175	489	52	13.0	266.13	3 460	2.00	25.90	· Ad
978	648	.38	13.1	140.92	1 848	1.12	14.95	Shaft area Resal reef
78	2 180	440	15.0 ,	133.38	1 734	1.14	14.77	No. 1
0 19 3 1	d of 83 78 was det 978 and w	cents per clared on vas paid o	October 1 o Decemb	stock in 9 1978 p er 8 1978	respect of ayable to r	nembers	registered	Quarter ended December 1978 7
PEN	DITURE							Quarter ended September 1978 8 Year ended
of of	which a1	ng on car 2 547 000	was in	acts as at respect o	f the met	31 197 Lilurgical	8 totalied .complex.	September 1978 33
				Fa	or and oo t	behalf of		No. 1
	•			0.	A. ETHER G. S. YO	EDGE)	Olrectors	No. 3
979								Quarter ended December 1978 1 Quarter saded September 1978
	TAT	F S	ΔΔΙ	ρι Δ	ΔS			Year ended September 1970 2
	plaas Go							DIVIDEND3" Tha fiasi dividend of
	28 100 0			-	•	•		Tha fiasi dividend of 1978 was declared o 3 1978 snd was paid
				Juarter	Quart	er.	Year	CAPITAL EXPENDIT
RES	UL TS		De	ended c. 1978	Sept. 19	78	ended Sept. 1978	R3 015 000,
dc	antares 00	Ю'я	·	81		65 [`]	242	January 19 1879,
				306 3.58		517 .47	1 240 3.58	
- 49				1 093	10	398	4 400	
ian. Mara	illed			117.44 23.41	118	.12 ,01	112.97	JOINT META
	sduced	••••••		8 542	. 81	574	8 202	
	ON SALE			5 961		87	5 467	SUMMARY
RES		••••	•	214		90	190	(i) Flotation plant Shine treated- GD Uramom plant
ė				R000 0 587 7 164	02	100 128 148	R000 24 164 27 339	Concentration (4) Uranium plant Slime treated Concentrate to uranium oxide
	· · · · · · · · · · · · · · · · · · ·				(1 3			(iii) Acid plant acid produced (iv) Gold plant
rgics	Schame	orofit (los	s)	(577) (33S)	30	97	(3 178) 14 140	calcine treated
-	• • • • • • • • •			661			3 4 5 5	(v) Profit escimated
ofit .	e taxation tion and S			(252)	26	514	14 420	NOTE There were no sales o The shorter working (
					_	-		the switching of fee

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CAPITAL EXPENDITURE

Orders placed and outsta R15 814 000 of which R	nding on tar 33 000 was (n respect	tracts as a t of the m	t December	31 19 complex	7S totalled	
URANIUM DXIDE There were no sales of u							
			F	or and on I D. A. ETHEN O, S. Y			
January 19 1979				· U, 3, Y	OUNGI		
WESTERI Western Holdings Lin	-	LDI	NGS	5			ļ
ISSUED CAPITAL: 7 496	378 shares o	# 50 cer	its each				'
			Quarter noded Jcc. 1978	Sept. 19		Year cnded Sept. 1978	
OPERATING RESULTS						JCPL, 1978	
Cost-R/ca mined			156 740 10.12 7 487 119,58 25,21 2 492		70 20 833 49	658 3 113 10.64 35 118 107.07 22.00 2 121	
Gold Rike	LES		9 058		181 190	5 385	
FINANCIAL RESULTS			Rooo	R(50 3		R000 176 092 70 241	
		· _	45 333 10 833 28 878	18 4	42		
Profit Joint Metsilurgical Schen Net Sundry Income		•••	(336) 1 543	{2 1	581 121	107 831 (1 215) 5 017	
Profit before taxation and of profit Provision for taxation and	State's sha	re i	28 085	55 4		113 253	
of profit Profit after taxation end of profit			10 342 11 743	21 4		68 990 44 203	
Deduct: Appropriation and transfe Capital expenditure (after	taking secou	nt –				0.691	
of consumer loans) Loan lavies net Olvidend interim				•		0 001 4 490 14 245 10 087	
Retained profit for the y						2 654	
-Joint Metallurgical S	chams	:	1 789 1 374	17	20 3	5 673 354 8 641	
DEVELOPMENT			San	pied			
DEVELOPMENT Advance metres		channel width	San gol g/t		ura kg/t	nium cm.kgrt	
Advanc metres Sheft area Basal reef No. 1 572	metres	channel width cm	904 9 ¹ t	d cm.ax	1.03	cm.kg-t	
Advanc	metres	channel width	gol S ^{it}	d	lag/t	cm.kgit	
Advanc metres Based reef No. 1	82 238	channel width cm 19.8 20.0 40.7	904 94 244.70 175.10 19.88 200.50	4 645 3 642 809	kg/t 1.03 0.41 0.12	cm.kgrt 20.39 8.53 4.76	
Advanc metres Basal reef No. 1 572 No. 8 1 572 No. 5 2 510 No. 4 2 171 Gearter ended December 1978 7 872	82 238 534 105 958 1 012	channel width cm 19.8 20.0 40.7 8.5 30.4 30.7	904 94 244.70 175.10 19.88 209.50 08.12 38.21	d cm.g/t 4 645 3 642 809 2 229 8 010 1 787	kg/t 1.03 0.41 0.12 2.03	cm.kgit 20.39 8.53 4.76 23.57	
Advanc metres Sheft area Based reef 1572 No. 1 1572 No. 2 1819 No. 4 2171 Quarter ended December 1978 7 872 September 1978 8 428 September 1978 33 869 Leader reef 166	82 238 534 105 958 1 012 4 150 134 370	channel width cm 19.8 20.0 40.7 8.5 30.4 30.7 35.3	94 94 244.70 175.10 19.88 200.50 08.12 38.21 01.98 0.87	d cm.94 4 645 3 642 809 2 229 8 010 1 787 2 187 193 557	kg/t 1.03 0.41 0.12 2.03 0.30 0.35 0.31 0.04 0.12	cm.kg/t 20.39 8.53 4.76 23.57 9.11 10.84 11.05 0.00	
Advanc metres Shaft area Basal reef No. 1 572 No. 2 1 572 No. 3 2 510 No. 4 2 171 Gwarter ended Becember 1978 Control of 1978 Stotember 1978 Year ended Year ended Stotember 1978 Stotember 1	82 238 534 105 958 1 012	chgnnei width cm 19.8 20.0 40.7 8.5 30.4 30.7 35.3	904 94 175.10 19.88 200.50 08.12 38.21 01.98	d cm.94 4 645 3 645 2 229 2 229 8 010 1 787 2 187 193	kg/t 1.03 0.41 0.12 2.03 0.30 0.35 0.31	cm.kg/t 20.39 8.53 4.76 23.57 9.11 10.84 11.05	
Advanc metres Shaft area Basal reef 1572 No. 1 1572 No. 2 1819 No. 3 2171 Quarter ended 2171 Quarter ended 378 September 1978 33869 Lessier reef 166 No. 2 111 No. 4 153 Quarter ended 163 Quarter ended 153 Quarter ended 1378	82 238 534 534 534 534 534 535 535 535 535 535	channel width cm 19.8 20.0 40.7 8.5 30.4 30.7 35.3 223.1 191.8 94.7 206.7 194.0	904 944.70 175.10 19.88 200.50 08.12 38.21 01.98 0.87 2.90 11.07 3.12 2.70	d cm.axt 4 645 3 642 2 229 8 010 1 787 2 187 193 844 524	kg/t 1.03 0.41 0.12 2.03 0.35 0.35 0.35 0.31 0.04 0.12 0.00 0.14 0.13	cm.kgrt 20.39 8.53 4.76 23.57 9.11 10.84 11.05 0.00 85.54 83.73 29.52 24.77	
Advanc metres Shaft area Basal reef 1572 No. 1 1572 No. 2 1217 Gearter ended December 1978 7 872 Gearter ended September 1978 33 869 Leader reef 166 No. 3 7 187 Gearter ended 166 Gearter ended 111 Gearter ended 163	e metres 228 534 106 958 1 012 4 150 134 370 40 70	channel width cm 19.8 20.0 40.7 8.5 30.7 35.3 223.1 191.8 94.7 206.7	904 94 175.10 19.88 200.50 08.12 38.21 01.98 0.87 2.90 11.07 3.12	d cm.ext 4 645 3 642 2 229 8 010 1 787 2 187 193 844	kg/t 1.03 0.41 0.12 2.03 0.30 0.35 0.31 0.04 0.12 0.04 0.12 0.04 0.12 0.04 0.12	cm.kg/t 20.39 8.53 4.76 23.57 9.11 10.84 11.05 0.00 85.54 83.73 29.52	
Advanc metres Shaft area Basal reef 1572 No. 1 1572 No. 2 1819 No. 3 2171 Quarter ended 2171 Quarter ended 378 September 1978 4.23 Year ended 166 No. 2 111 No. 3 111 Quarter ended 165 Quarter ended 153 Quarter ended 132 Quarter ended 132 Quarter ended 132 Quarter ended 132 Year ended 844	e metres 82 238 534 106 958 1012 4150 134 370 40 70 814 488 1198	channel width cm 19.8 20.0 40.7 8.5 10.4 30.7 35.3 223.1 191.6 94.7 206.7 194.0 188.1 184.9	904 917 244.70 175.10 175.10 175.10 175.10 175.10 175.10 175.10 175.10 200.50 08.12 2.50 1.07 3.12 2.70 4.41 3.62	d cm.4% 4 645 3 642 2 229 \$ 010 1 767 2 187 193 557 1 103 844 524 732 870	kg/t 1.03 0.12 2.03 0.30 0.35 0.31 0.04 0.12 0.00 0.12 0.00 0.12 0.00 0.12 0.00 0.12 0.12 0.35 0.31 0.12 0.35 0.35 0.31 0.12 0.35 0.12 0.13 0.14 0.12 0.13 0.14 0.13 0.14 0	cm.kg/t 20.39 8.53 4.76 23.57 9.11 10.84 11.05 0.00 85.54 83.73 29.52 24.77 29.39 26.98	
Advance metres Shaft area Basal reef No. 1 1572 No. 2 2310 No. 4 2171 Omarker ended Descember 1978 7 872 Quarter ended September 1978 33 869 Leader reef No. 1 165 Quarter ended September 1978 1 132 Quarter anded September 1978 1 132 Quarter anded September 1978 444 Year anded September 1978 644 Year ended September 1970 2 679 DiVIDEND3 ⁻¹ Tha fasi dividen of 223 1978 was declared on CC 3 1978 and was paid on CAPITAL EXCENDITURE	82 238 534 105 958 1012 4150 134 370 40 70 814 488 1198 cents per 51 tobar 19 19 December 8 1	channel width cm 19.8 20.0 40.7 8.5 30.7 35.3 223.1 191.8 94.7 2206.7 194.0 188.1 184.9 184.9 184.9	904 917 175.10 175.50 175.50 19.83 200.50 08.12 38.21 0.87 2.90 107 3.12 2.70 4.41 3.62 espect of last omen	d cm.4% 4 645 3 542 2 229 \$ 010 1 787 2 187 193 557 1 103 844 524 732 870	kg/t 1.03 0.41 0.12 0.12 0.12 0.35 0.35 0.31 0.04 0.12 0.14 0.13 0.14 ded SepAred op	cm.kg/t 20.39 8.53 4.76 23.57 9.11 10.84 11.05 0.00 85.54 83.73 29.52 24.77 29.39 26.98 tember 30 November	
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:962 Shadow Shadow Financial Times Monday January 22 1979

COMPANY NOTICES

المالها പ്പ ANGLO AMERICAN CORPORATION GROUP TRANSVAAL GOLD MINING COMPANIES

FINAL DIVIDENDS FINANCIAL YEARS ENDED

Incorporated in Solution	Africa)	Dividend No.	Rate of dividend
The South Aricso Company Lipsing Vasi Rents Expl Consarty Limited Western Deep Level	ention and Mistag	75 45 34	25 cents 180 cents 82.5 cents

NGLO AMERICAN CORPORATION D

	Divisional Secret
Office of the triffed Klassdow Transfer Secretaries Charter Consolidated Limited, P.G. Roy 102.	40 Hoiborn Vieda
Charter House, Park Street.	
Ashford Kent TN24 BEQ	January 19, 19

gge SOUTHVAAL HOLDINGS LIMITED

4

fincerporated in the Republic of South Africa) DIVIDEND FOR YEAR ENDED DECEMBER 31 1978 Japany 18 1970 divident No. 0 ol 37 cents a sturm. In respected becember 31 1978 (1977: 21 canta), was declared to South alvable to mantum replaced in the backed the constitu-

•	The estimated prost for the year ended December '31' 1970' is stated	Duarter ended	
	1078 1077	September 1078 \$3	40
1.1	R000 8000	Year ended	
	Profit before taxation 28 804 9 089 Taxation 12 062 3 905	December 1978 119	- 48
۰.	Taxation	ORE RESERVES	
		(5cg note 1)	
•	Profit after Sucation		
	Transfer to General reserve	Vasi reef · · · · · · · · · · · · · · · · · ·	
	and the second second second second second second second second second second second second second second second	pold prica p	ver ,
	Retained profit broughe forward	July 31 1970 R4 R10	10.50
			17 10
<u>)</u> -	- Profit available for appropriation		17 72
•	Olvidend No. 5 of 57 cents 4 share		15 14
	Olvidend No. 5 of 57 cents 4 share		17 07
	By order of the Bourd		18 25
1.	ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED	V.C.R. and Elsburg reef	
10	Secretaries	July 31 1978 R4 010	
	Secretaries	R5 038	· 18
* 7	Divisional Secretary	R5 450	10
, -'I		Sept. 30 1977 R3 300	• 11
· • • 1	40 Main Street. Johannesburg 2007 BC1P 1AJ	R5 000	10
1	(P.O. 80x, 61587, Marshalltown 2107)	DIVIDENOS. R4 500	20
	Office of the United Kingdom Transfer Secretaries	Details of the dividends deck	here
	Charter Consolidated Limited.	are as follows:	
• ••	P.D. Box 102.	and an order of	
	Charter House, Park Street, Askford, Kent TN24 8EQ. January 19 1979.		
		Declared	
		Per share	
24		Payabls to sharebolders regist	
14		CAPITAL EXPENDITURE	

BEARER DEPOSITARY RECEIPTS representing Preferred Stock al BAXTER-TRAVENOL

International Capital Corporation ist Stries Convertible Preferred Stock

Int Series Convertibility Preferred Shock
 A distribution of SD_27 per deposi-tary Spare, less any applicable taxes
 deposition of the presentor's country-ol residence, will be payable on and after January 22, 1670 upon oresenta-tion of Coupon No. 14 et the Office of MORGAN GUARANTY TRUST CV. DF NEW YORK:
 NEW YORK: 15 Broad Street GADR Section.
 Station SJ Astronus das Arts DORON: S as Avenus das Arts DARIS: 13 Place Vendame FRANKFURT: 0 Bocktonhelmer -Landstrasse.
 BANCA VONWALLER Sp.A.: Via Boncambagni 27. ROME.
 SANK MEES & HOPE N.V.: Neremaracht Sd. AMSTERDAM.
 KREDIETBAANK S.A.: BOURG

PUBLIC NOTICES

LONDON BORDUGH OF WANDSWORTH VARIASLE RATE REDEEMAGLE STOCK, 1083 For the six months from 20th January, 1979, to 20th Jaly, 1970, the interest rate on the Boove Stock will be 33.3730% per annum.

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DAYS. 10. Dover St., Lond ABTA ATOL 2138

TRAVEL

ALLMANNA SVENSKA ELECTRISKA AKTIEBOLAGET (ASEA)

	All companies are incorporated in the Republic of Boutin Alace)	
	Transvaal	
VAAL REEFS Vaal Reefs Exploration and Mining Company Limitod Issued CAPITAL: 19 000 000 shares of 50 cents each Constant States of 50 cents each cents eac	CAPTAL EXPENDITURE CAPTAL EXPENDITURE Jamary 10 1976.	Blast December, 1978 S.A. LAND The South African Land & Exploration Company Limited ESUED CAPITAL: 8 668 000 shares of 35 cents each FINANCIAL RESULTS Sale of salitabled equilibricht and scras Sale of salitable equilibricht and salitable equilibricht and scras Salitable equilibricht and salitable equ
Yield Kgt 8.23 8.23 6.22 Oride aoductd 48 281 280 281 430 t 859 835 FibeANCLAL RISULTS 281 260 281 430 t 859 835 Working Brothe 281 260 281 430 t 859 835 Working Brothe 281 280 281 281 280 R48 218 000 R148 222<000	SOUTHVAAL HOLDINGS SOUTHVAAL HOLDINGS LIMITED The attention of shareholders is directed to the report of Veal Reafs Exploration and Mining Company Limited.	Sorphys after taxation
Profit before staration and State's share 62 XX8 000 47 506 000 180 541 000 7axation and State's share 62 XX8 000 47 506 000 180 541 000 7axation and State's share 14 203 000 11 824 000 37 189 000 Profit atter tax and State's share R46 128 000 R35 883 000 R143 332 000 Cnoital expenditure luan Levis estimated R29 497 000 R2 528 000 R143 000 R143 332 000 Dividend interment	ELANDSRAND Elandsrand Gold Mining Company Limited ISSUED CAPITAL: 75 484 238 shares of 20 cents each OPERATIONS The mine Came into production on December 10 1078, Pre-production gold produced from are derived from rect development and shart intersections amounted to 43,70 killingrams. The revenue received from the sale of this gold was Credited to mining assets. Subsection: to communication production, a further 3.75 killingrams were produced and sold. The revenue from this sale was credited to income.	Drifting in borehole SRK 1, structed in the area south-west of the still encountering officulties, and progress is very slow. The dorehol sect the projected need bortson at 5 044 metres because of a so hole is being dofficulties and artempt 10 achieve Sn intersection. Drders glated and obtstanding as at December 31 1978 totalled Divitibino The Officetors have declared a dividend of 25 cents a share in respact December 31 1978, amounting to 91 650 000, and attention is draw announcement published in conjunction flerewith. Far and an bi D. A. ETHER January 19 1970
CONSOLIDATED PROFIT Stimated consolidated profit siter testa- tion and State's share of profit of the company and its wholy-owned subsidiary, Wastern Reefs Exploretion and Development Company Linked . R48 218 800 R35 891 800 R143 459 000 Intiludes net retenue of R730 008 for Intiludes net retenue of R730 008 for	FINANCIAL RESULTS The financial results for the goarter and the Snancial year anded December 31 197R ara.es follows: Working loss	WESTERN DEEP LEVELS Western Deep Levels Limited
of revenue less operational costs in terms of the tributing arrangoments with Buffelstontein Gold Mining Company Limited. 94AFT StNKING No 0 shart (South Lesse Area) Advance-metres Advance-metres Depth to date-metres 480 105 480	CAPITAL EXPENDITUR: Net augsinditure on mining assets: Decity Sector Sector Provided ended R20 822 000 R20 1073 R25 1073 Company to December 31 Orders pinced and outstanding on capital contracts as at December 31 1979 totalled	Quarter Dunre ended ended DPERATING RESULTS COLD Tons miljed
DevalopMEN7 Sampled Advance matres metres channel width cm gold uranism Vnal ree/ Shnft area 3 273 384 22.a 84.82 1 934 2.34 53.40 No. 1 3 273 384 22.a 84.82 1 934 2.34 53.40 No. 2 3 103 520 14.7 55.92 222 1.52 22.30 No. 4 3 103 520 12.2 72.47 1 328 2.00 324.44	Total expenditure incurred prior to the commentsment of oroduction has been debited to mining assets and revenue tarmed during the period. Intibuting pre-production gold receipts as stated nove, has been credited to mining assets. Quarter Quarter Vear ended ended ended SKAFT SINKING Dec. 1970 Sect. 1078 Dec. 1970 Mean/Matchield Shaft (metres) (metres) Advinces 35 37 194	Gold produced—kg 10 738 1 2 5 Revenue Set ton milled R51.87 R31. Cost per ton milled R51.87 R31. Profit per ton milled R57.127 848. Revenue R52.240.000 R88.052.0 Cost R55.240.000 R88.052.0 Cost R57.612.000 R40.022.1 Profit R37.553.000 R40.441.0 URANTUM DXIDE 218.900 212.8 Yield—koit 0.21 0.0 Oxide sortuced—k0 45.633.3 42.4
No. 3 5583 794 42.5 33.34 1417 0.04 39.90 No. 0 11 068 1032 03.1 35.62 3 423 0.71 08.48 Quarter ended December 1978 30 310 3 128 57.6 38.91 2 241 0.91 52.35 . Quarter ended September 1978 32 725 2 720 50.4 30.14 2.325 0.89 32.84	Depth to date (fmal depth) 2127 2088 2127 Dreats criting	Orige productor-co 43 643 41 0 FINANCIAL RESULTS R37 553 000 R40 441 0 Working gradt-Gold 1837 553 000 R40 441 0 Profit linesh on sale of uranium axids 1810 000 1643 0 Profit before taxation and State's share of profit- 38 510 000 42 079 0 Taxation and State's share of profit- 18 510 000 42 079 0
Year ended December 1978 125 585 11 418 55.4 41.99 2 326 0.0R 54.07 'C'ree! No.8 Quarter ended December 1978 19 8 21.0 127,33 2 874 2.98 62.52 Duarter ended September 1978 53 40 22.0 117.77 2 897 3.13 71.57 Year ended December 1978 119 48 22.6 119.10 2 893 3.10 78.06	metres metres thannel with pold V.C.R. cm 0/t cm.g/t Quarter ended 0436 390 03.4 20.54 t 252 Duarter ended 1978 4247 488 70.6 12.24 064	Tableba and States share or pront 15 R11 000 22 097 00 Profit after tax and State's share estimated R22 880 000 R20 782 00 Capital cybenditure stimated R14 498 000 R2 450 Dividend interim Find 91 699 000
ORE RESERVES (Scan note: 1) 0acarl on Vasi reef Odd prica per bold prica per kingram Stope width Gold Ummsim July 31 1970 R4 R10 10 300 000 108 r. 13.55 1889 0.42 45.78 July 31 1970 R4 R10 10 300 000 108 r. 13.55 1 689 0.42 45.78	December 1978 13 334 1 028 87.2 10.57 1 248 FINANCIAL YEAR ENG 13 334 1 028 87.2 10.57 1 248 Following furthsr investigations into the merits of the previous change in the company's financial year and to March 31, it has been decided to revert to December 31 as the year end. For and on behalf of the board 0. A. ETNEREDGE 1 Directors W. R. LAWRIE {	Total
R3 450 17 726 000 108.5 14.89 1 013 0.41 44.25 Sept. 30 1977 R3 300 15 148 000 108.3 13.49 1 678 0.44 47.60 R3 900 17 070 000 107.3 14.00 1 567 0.42 45.07 R4 500 18 297 000 106.0 14.08 1 605 0.41 43.43	EAST DAGGAEORITEINI	Carbon Leader

EAST DAGGAFONTEIN East Daggafontein Mines Limited

ISSUED CAPITAL: 3 730 000 shares of R	1 each	• •
FINANCIAL RESULTS	Duarter noded Dec. 1978	Quarter coded Sept. 1978
RoynRies and Daid revenue Sale of salvaged equipment and scrap Sale of capital items Aundry revenue	5 000 8 000	RI 2 000 5 000 30 000
Deduct: Costs	56 000	47 000
Surplus before lavatipa Taxalton—estimated	15 000	19 000 28 000 9 000
Supeline allest envelope		

D CAPITAL: 8 668 000 shares of 35	i cents each		
	Oparter anded Dec. 1978	Duarter enoed Sept. 1078	Year ended Dec. 1878
ICIAL RESULTS	UNA 1270	3602 TO/8	
revenue I salvaged equipment and scraa capital items indry revenue	R2 207 000 18 000 264 000 273 000	R2 417 000 42 000 78 000 102 000	R7 R03 000 301 009 331 000 222 800
	2 754 000	2 870 000	9 077 808
ing and salvage costs	1 726 009	1 751 000	3 R27 809
before taxintion	1 026 000 409 000	928 000 458 000	3 258 000 1 306 000
after taxation	R610 000	R470 000	R1 944 000
ting expenditora	R42 000	R71 000	R299 000
impany continued treating waste r ns on the East Rand. Mill thru 000 tons (September quarter: 278	apput lor the	pecember ovar	from various ter nmounted
ECTING			
in borehole SRK 1. situated in the countering anticulities, and progress is projected reef borizon at 5 044 being dollected in an attempt 10	is very slow.	The corehole li	fied to inter-
olaced and outstanding as at De	cember 31 197	8 totalled R17	3 000.
vectors have declared a dividend of ver 37 1978, amounting to 91 650 cement published in conjunction ner	DDD. And attem	in respact of 1 ilon is drawn to	he year ended the dividend
	Fai	and an behalf	of the board
	D.	A. ETHEREDG	E Directora
y 19 1970 ~		M. 5. McCRUI	M
ESTERN DEEP			

EP LEVELS

Western Deep Levels Limited			
SSUED CAPITAL: 25 008 888 shares of	R2 each		
PERATING RESULTS	Quarter ended Dec. 1972	Dunrter ended Sept. 1978	Year ended Dec. 1878
OLD			
ons milied reld-git sold produced-kg teremus per ton milied tost per ton milied terence terence set	797 000 13.50 10 758 R81.87 R54.75 R47.12 R55 240 000 R27 096 000	830 000 14.34 17 958 R81 09 R33.27 948.77 R88 052 000 R27 d11 900	3 223 000 . 14.17 45 857 R77.84 R32.67 R230 894 000 R105 304 000
rofit	R37 553 000	R40 441 000	R145 590 000
RANTUM DXIDE			
Interferences in the second interference in the second sec	21R 900 0.21 45 643	211 860 0.20 42 405	874 000 0.21 183 385
Vorking proht-Gold Pofit liggs) on asle gi uranium oxids* let sündry revenue	R37 553 000 (653 000) 1 R10 000	R4D 441 003 795 063 1 645 000	R145 500 000 2 341 000 5 425 000
of profit before taxation and State's share of profit	38 510 000	42 079 007	153 356 000
astation and State's share of profit-	15 R11 000	22 097 000	73 439 000
estimated	R22 880 000	R20 782 000	R77 918 000
apital expenditure 	R14 498 000 91 699 000	RG 180 000 R2 445 000	R31 058 000 RR 278 000 R18 250 000 R20 623 000
T			P 15 875 600

DEVELOPHIC				300	noled		•
	Advance metres	metres	channel	Dol	4	uran	ilam
			Cm	0 1	cm.0.4	KO:K	cm-kgt-t
Carbon Leader							
No. 2	4 303	1C 62	22,2 46,5	80.63 87,51	1 790	0.93	20.74 54.43
Quarter ended December 1078	0 630	72	43.1	07.08	3 753	1.15	49.75
Quarter ended September 1978	9 533	30	40.7	107.91	4 392	1.45	59.06
Year ended December 1978 V.C.R.	35 377	350	40.1	145.06	5 817	2.07	82.91
No. 2	1 501 1 045	140	83.5 22.4	27.40 30.18	1 744 679	=	
December 1078	2 635	354	39.3	28-40	1 116	_	
Quarter ended							

\$US 30,000,000 81% Bonds 1986

Notice is hereby given to bondholders of the above loan that the amount redeemable on March 1, 1979, i.e. SUS 2,000,000. was bought in the market.

Amount butstanding: \$US 22,000,000.

Trustee: The Law Debenture Corporation Limited, Loodoo. Principal Paying Ageot: Kredietbank S.A. Luxembourgeoise Luxembourg

Luxembourg, January 22, 1979.

OLYMPUS OFTICAL COMPANY LTD.

HE Kogeka Kogyo Kaban Kaisha

"Ormpus, Kogska Kogvo Kabashid Kalaha S. G. Warburg & Co. Ltd., as Depositary THEREBY GUVES NOTICE that the 110th Ordinary General Meet-log of Stockholders of the Commony Will be field la Tokyo, Japou on SUBH Immary, 1973. The following eroponats are included in the Notice of the Meetros-(1) To approve the Report and Accounts for the Meetros-Immary, 1975. Control of the Report and Accounts for the Arebort Sist October, 1976. Control of the Arebort Sist October, 1976. Control of the Arebort Meetros director. Con Election of one director to fill Vacanty, doi: to restignation of rething director. Con Elections of smally see retiring Holders of Bearer Depositary must complete a form si Proxy by not, later them 25th Jacuary, 1979. Forms of Proxy are unalable at the difficat of the Depositary maned in Pare-marphe 21 of the Generation and the Pare-Repositary. Accountary the Science and the Pare-Barbar Con Depositary the Depositary Repositary and the Depositary Repositary and the Depositary Repositary and Science and the Pare-Barbar Con Science and the Pare-Barbar Con Science and the Pare-Barbar Con Science and the Pare-Barbar Con Science and the Depositary Repositary the Accestor Science and the Depositary Repositary and the Repositary the Accestor Accestor and the Depositary Repositary and the Depositary the Accestor Beneficient and the Pare-Barbar Con Science and the Depositary the Science and the Depositary the Science and the Depositary the Science and the Science and the Depositary the Science and the Depositary the Science and the Depositary the Science and

Receipt. S. G. WARBURG & CO. LTD., 30. Grasham Street. 4. Springer, 2284 2284 January, 1979.

CORRECTED NOTICES N.V. ENGELSCH-HOLLANDSCHE BELEGGINGS TRUST

(ENGLISH AND, DUTCH INVESTMENT TRUST) Established in Amsterdam Participation Cartificates .

(lasuad by Royal Exchange Assurance)

NOTICE 15, HEREBY GIVEN that the mit reser value (unsudited) si a participation cartificate as at 31st December 1855, using the official rates of workshings, was pounds staring 1855. By Order of the Board HOLLANDSE KOOPMANSEANK N.V. Manauers

Managara

Sorphatistrait 14-A Amsterdam. 19th Jasuary 1979. њ.,--

BANQUE NATIONALE DE PARIS

Floating Rate Note Issue of SUS70m., January, 1977/83

The rate of interest applicable for the six-month period beginning 21st January, 1979, and set by the reference agent is 124% annually.

5/2% TREASURY LOAN 1959 BONDS TO BEARER 5/2% FUNDING LOAN 1952/84

Signs, FUNDING LOAN 1982284 The Bank of England give noises that new COUPON sheets on the show-mentioned Loans will be available on and after 15th March 1979 in exchange for TALONS. Listing forms for talons are obtainable from the Chief Accountant's Office (Bank Buildings). Bank of England, 2. Bank Buildings, Princes Street, London 6C2R BEU and talons should be presented there for exchange by Authorized Deposi-cires, on behalf of the folders; from the Shi March 1970. Talons should not be are through the foot. *Authorised Depositaries are listed in* the Bank of England's Notice EC1 and include most banks, stockbrokers and aplichers practions in the United Klag-don, the Channel Islamis or the 194 of Man.

100 / 1878

brolects, being brought torward, ndtably the east Uranium plant extension and the No. 9 shaft. Order plated and outstanding on capital contracts as at Oecember 31 1978 totalled R12 721 000. UNDERGEBOUND FIRE Da December 1 1978 a free occurred da 73 level at No. 8 shaft which regrettably led to the death of 41 misers. The area was seeled of and the fire has since board tised out, The effect on production has not been significant as replacement tonnage has been obtained from other sources. The Root from the quarter was caused partly by generally lower values being encountered at No. 8 shaft in addition a fre and setsmic activity which both occurred earlier to 1078 in the No. 8 shaft area, one of the highest grade soctions al the mime, are continuing to affect production there, but operations are expected to return to normal shortly.

VAAL REEFS SOUTH LEASE AREA

	Quarter	Quarter	Year
	Dec. 1978	Sept. 1078	Dec. 1978
CRATING RESULTS		3696 1070	
LD	691 000	728 000	398 000
	8.72	10.16	8.64
	6 0 2 5	T 392	25 034
ton milled	R52.74	R58.40	R 53.74
on milled	R29.55 R23.15	R28.78 R31.04	R28.66 R25.01
on milled	R36 445 000	R42 517 000	RI 38 321 000
	R20 447 000	R19 402 000	R74 410 000
	R18 528 000	R33 035 000	R55 111 000
		100 000 000	
	400 000	323 000	t 338 000
	. 0.22	0.43	0.23
d kg	86 440	85 024	
RESULTS			
to-Gold	R15 598 000	R23 033 000	
sale of Uranium Oxide	8 005 000	1 490 003	11 874 000
		24 531 000	78 985 00
and an and an and an and	22 903 000	1 228 000	2 644 000
aundry revenue.	730000		
	R23 633 000	R25 759 000	R79 889 000
renditure-new South uraniom	R10 145 000	R7 392 000	R30 833 000
	10 152 000	7 230 000	37 372 000
	10 \$32 000	7 230 000	
	R21 058 000	R14 632 000	R58 205 000
company's share of revenue less	operational cos	ts in terms o	f the tributing
nents with Buttelsiontein Gold A	tining Company	Limited	

DETECOTINE T	JODIN N		-	San	npled		
	metras	metres	channel	001	d	uran	ium i
			Width	£1	cm.44	10.1	en.legra
Vaal Ree! Quarter ended			96.1	35.62	3 423	6.71	68.45
December 1578 Quarter ended	11 080	1 032					
September 1878	12 522	1 032	01,1	32.43	2 954	0.74	67.5R
Year Indeb December 1976 'C ' Reef	49 053	3 968	81.4	36.39	3 011	08.0	65.1R
Quarter unded December 1975 Quarter ended	19	1 8	21.0	127-33	2 674	2.98	62.52
September 1978 Year sided	- 53	40	22,0	117.77	2 897	3.13	71.57
December 1970 Arte ander tribute to and developed by Buffelsfontein	110	40	22.0	119.10	2 893	3.10	70.05
not included in otzis) Yaal reef					•	÷	
December 1978	2 444	207	104.6	14.20	1 485	0.54	86.AT
eptember 1970	2 314	318	124.2	13.87	1 722	0.51	03.20
Accember 1970	8 314	1 041	112.2	13.27	1 480	0.51	55.93

.......... R45 000 RI 0 000 Dividend---Interim-_____ R953 000 == = 7atal -Taxation over-provided

Janusry 10 1979

DIVIDENDS The Directors have decided not to decise a final dividend in respect of the year ended December 31 1978 in view of the relatively low surplus and level of cash available.

For and on behall of the board 0. A. ETHEREDGE) Directors

Year epsed Dec. 1978

R712 000 6 000 01 000 103 000

002 DOD

137 000

785 000

R398 000

R933 000

. ANGLO AMERICAN CORPORATION

OF SOUTH AFRICA LIMITED

NOTES 1. ORE RESERVES

Ore reserves wars estimated at July 31 1978 (in previous years 21 September 30) at a composite pay limit based on a gold price of R4610 a kilogram (1977: R3300) and taking accoust of a uranium price which reflects the prices that the companies will receive for their contracted sales in 1979. Also shown are ore rasarve connages astimated ot pay limits basad sa gold prices of RS030 and RS450 a kilogram to indicate the sen-sitivity of the ore reserves to gold price variations. For these exercises the uranium price was held constant.

2. DEVELOPMENT

Davalopment values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating pre reserves.

- PUBLICATION OF PLANNED PRODUCTION AND CAPITAL EXPENDITURE IN ANNUAL AND QUARTERLY REPORTS It has been decided that with effect from january 1 1979 forecasts of phaserd production and capital expenditure given in the annual reports will no longer also be published in the quarterly reports. However, significant changes to the forecasts with the descent of the quarterly reports. 3. will be referred to in the quarterly reports.
- 4. DIVIDENDS

Attention is directed to on onnouscement published in con-junctios herewith, relating to the declaration on Thursday, January 18 1979, of final dividends for the year ended December 31 1978.

The Orange Free State Group's results appear on another page in this papet.

Copies of these reports will be available on request from the offices of the Transfer Secretaries: Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 SEQ.

LONDON OFFICE: 40 HOLBORN VIADUCT, ECIP 1AJ

÷ •

1978 2 61 18.32 er 1978 10 258 1 072 22.47 1 254 ORS RESERVES Based or Gold Uraniam gold price për kilogram Slopa width kg/t cm.kg : cm-g t Tons Cm DIT July 31 107R ... 3 016 000 3 047 000 3 047 000 2 629 000 2 642 000 2 721 000 101.3 701.3 101.3 100.7 100.7 100.7 2 502 2 486 2 486 2 570 2 562 2 513 24.70 24.54 24.54 25.32 25.44 28.90 0.25 25.29 25.17 25.06 23.89 25.49 Sept. 30 1977... V.C.R. July 31 1070 ... 132.0 131.3 131.3 130.0 128.5 129.2 2 154 000 2 323 000 2 393 000 1 890 000 2 30R 000 2 459 000 1 835 1 731 1 724 2 012 1 809 1 730 11111 R4 R10 R3 030 R5 450 R3 300 R3 900 R4 500 Sept_ 30 1877 ... DIVIDENDS Details of the dividends declared in are as follows: respect of this year ended December 31 1878

The discrete of R5068000 between estimated and netual cepital expanditum fer the vest ended December 31 1878 is mainly attributable to the necelsration of work on the uranium plant estopsion. Driets placed and outstanding on capital contracts as nt December 31 1978 toinied R11 495 000. CAPITAL EXPENDITURE For and on behall of the board

G. LANGTON | Directors

January 10. 1979 ERGO

January 19 1970

East Rand Gold and Uranium Company Limited

ISSUED CAPITAL: 40 000 000 sharas of	50 centa each		
Finantial year ending March 31 1079	Quarter ended	Quarter	9 months ended
OPERATING RESULTS	Dec. 1978	Scat. 1078	Dec. 1978
Silmes treated-tons	4 955 000	4 150 000	11 894 000
Production	33 R19 47 023 80 460 R 780 1 135	33 031 40 952 77 735 5 067 019	90 835 114 031 228 833 12 511 2 841
FINANCIAL RESULTS	Rt0 354 000	R11 313 000	R2R 0R1 000
Operating profit Less: Net sundry expenditure	R4 170 000 564 000	R4 145 000 50% 010	R9753000 1315000
Profi1	R3 R12 000	R3 632 240	R8 438 000
Capital expenditors	n the operatin	g profit rompa	red with the

previous quarter. However, a major asle of uranium exide for delivery during the oparter ending March 1979 will take place and the profit for their quarter will sho substantial improvement. Net expedition and intraaction as the company has a compated tax loss. Net expedition an intrinavaster since the interption of the company to becember 31 1979 was R137 512 000 and orders placed and outstanding on capital contracts in that date totalled R1 814 000.

OPERATIONS Progress has been made in overcoming engineering and operational problems which the fact have prevented attainment of gold and acid production targets. Far and on behall of the board D. A. ETHEREDGE : Directors M. S. McCRUM *

And the second sec

	e war that never ends
	We British are a peaceful people. When a war is over we like to consign it to the history books - and
	forget it. But for some the wars live on. The disabled from both World Wars and from lesser campaigns, bow all
	too easily forgotten; the widows, the orphans and the children – for them their war lives on, every day and i all day.
	In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do.
125.423	This is where Army Benevolence steps in. With understanding. With a sense of urgency and with practical, financial help.
	To us it is a privilege to help these brave men-and women, too. Please will yoo help us to do more? We must not let our soldiers down.

Dept. FT, Duke of York's HQ, London SW3 4SP

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AND AND A DECIMAL AND

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	gross	pay- pay- able	Mioimum sum	Life of bood
put enviteses /	%		£	Year
Barnsley Metro. (0226 203232)		}-year	250	3-7
Burnley (0282 25011)	. 129	}-year	500	5-7
Knowsley (051 548 6555)		i-year	1,000	6-10
Poole (02013 5151)	. 113	‡-year	500	2-3.
Poole (02013 5151)	. 124	<u>i-year</u>	500	5
Poole (03013 5151)	. 12]	1-year	500	6-7
Reading (0734 592337)	. 141	maturity	1.000	6-7
Redbridge (01-478 3020)		<u></u> ₄-year	200	4-5
Sefton (051 922 4040)		4-year	2.000	3-7
Wrekin (0952 505051)		ł-year	1,000	5-10

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FLORENCE Leard Italian quickly and well, at the British Institute. Confrest March 6-April 13. March 6-March 30. April 17-July 0. April 17-June 8. April 17-May 23. April 17-May 11. Akod Aweek Insteader 20 Dours fution per week March 6 and April 17. Accommodition arraned with Italize families. Apply 9ritish Institute. Lungarme Guberardiai 0. Sol25 Fibrence. Tel.: 284.031.

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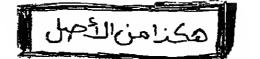
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Building and Civil Engineering

£10m venture in Ireland

civil works for a marine ter- steel pi minal at Aughinish Island will herths. he undertaken by Christiani and tors,

The two companies' joint ven-

will be formed of precast con- lines.

THE CONSTRUCTION of the metre diameter vertical tubular will be necessary to provide civil works for a marine ter-steel piles and will provide two required depths of 14.3 metres Outer herth will accommodate and inner berths respectively.

and carry alumina from it. Second berth will be used for ture covers the huilding of a smaller vessels carrying fuel oils works is to be completed by the jetty head 285 metres long by 40 and liquid caustic soda to end of 1980 and further con-metres wide. This will connect Aughinish for processing pur tracts will be awarded for the poses and steam generation. Supply and erection of the ore way 850 metres long. The jetty bead will carry loader and unloader, conveyors

to the shore by a long approach way 850 metres long. The contract marks the second stage in the construction of the for Aughinish Alumina. The joint venture partnership will be known as Christiani and Niel-sen-Collen. to the total workforce on electrical substation and the electrical substation and the substation and pipe lines. The jetty head will carry mechanical loaders and un-and pipe lines. Ioader and unloader, conveyors and pipe lines. Mobilisation of the work-force begins next month and it will mean, at peak, the employ-nent of a further 400 men on the island. Aughinish will bave reached 700

Sen-Collen. Upon completion, this marine terminal will he one of the largest ever undertaken in the Republic of Ireland. Jetty head will he formed of precast concrete deck supported by two A certain amount of dredging August.

and 12.2 metres for the outer

Nielsen and Collen Brothers vessels of up to 70,000 tons Altogether some 500 piles of (Dublin) under a \$10m contract deadweight which will he used various diameters will be awarded hy Alumina Contrac- to carry hauxite to the island driven, and 12,000 cubic metres of concrete will ha cast. Construction of the civil

The total workforce on Aughinish will have reached 700 hy the middle of this year, and rock, will he completed by next

centre THE GO-AHEAD for a £7m project, the new Eastgata Shop-ping Centre in Inverness, has now been given by the Highland now been given by the Highland Regional Council Pianning Com-mittee, and construction will hegin in the spring of this year. Building of the development will be undertaken by Gilbert Ash, Scotland (a Boyis com-pany, part of P & O), and the developer is tha Edinburgh-based Vivian Linacre. Hugh Martin and Partners is tha

RECENTLY AWARDED con- he completed in 19 months. tracts to R. M. Donglas Con-struction total £11im and cover M5 motorway is the basis of a projects in the west Midlands, £1.6m contract by Hereford and South Wales, the north west, Worcester County Council, due North Wales, the north east and to he completed in June this the hore counties and include year Inverness shopping

work has started and is due to England.

North Wales, the north east and to he completed in June this the home counties, and includa year. Work for industry, commerce, The largest job is valued at E25m, for a skill centre at and Wrexham, in North Wales, Redditch for the Property and at Hendy in South Wales. Services Agency of the D.o.E. Work is starting immediately and offices throughout the UK, and the contract period is 17 the total velue of tha contracts also includes alloy melting ahon

and the contract period is 17 the total velue of the contracts months. Also at £2.5m is a contract and scrap loading bay for BSC awarded by City Investments Stainless at Sheffield, telephone (Bridgend) for a shopping engineering centre at Crewe, centre in Bridgend on which and TA centre for the north of

The company is no stranger to the area . . in the north of Scotland it bas completed major projects in Aberdeen, Wick, Glenrothes, Dornoch, Thurso, and Golsple. Its experience in Inverness includes the completion of Mill-hurn School, a refurnishment in the Queensgate, a distiller-Knockando. majorprojects inAberdeen,
an agreement hetween Darling-
ton Borough Council and StarNational Car Parks.Wick,
Thurso, and Golsple.Dornoch,
ton Borough Council and StarThe store is to be handed over
NorthernThe store is to be handed over
ton Borough Council and StarThe store is to be handed over
the store is to be handed over
at the end of Ocloher and it
yelopment company, Michael-
January, 1980.Includes the completion of Mill-
hurn School, a refurbishment in
the Queensgate, a distillery at
Knockando, and work on the
Longman Industrial Estate.Paul Management:
Stool sq ft supermarket on the
sould foor with parking on and Partners.

Hat on a

hot tin

 $\pounds 11\frac{1}{2}$ m for R. M. Douglas Laing gets London housing job **REFURBISHING** of properties on a pre-war London housing

tile technology estate will give close on 200 families greatly improved living conditions. John Laing's southern region will carry ont the task under **Beside the** a f1.1m contract from the London Borough of Southwark

The two four-storey blocks inseaside volved are in Bermondsey and all 187 flats in them will have A TERMINAL building at Brighton Marina for Jetlink Ferries will cost £200,000 under new gas and plumbing systems as well as complete rewiring. For the Anglian Water a contract awarded to Lesser Authority the company is build-Building Systems of Verwood ing a £400,000 reinforced con-crete sewage pumping station at Stamford-le-Hope, Essex. Dorset.

A quay in

Cornwall

lem Group.

to be huilt under a fim con-tract awarded by the Harbour

Commissioners to E. Thomas

The two-storey building will utilise the company's Low Main-tenance PB4 Building System and will provide Jetlink with For a total of £200,000 770,000 gallon-capacity reservoir is to be built for the Property Services Agency at the Royal passenger, customs and immi-gration facilities for its Jetfoil Navy Armaments Depot, Coul-port, Dumhartonshire. service to Dleppe which is scheduled to commence next

May.

IN BRIEF

MARLEY

Roof Tiles

Total

leadership

through

· Contract for a new office building valued at £1.1m has gone to Walter Lawrence and Son who will carry ont the work NEW MOORING and landing facilities for fishing boats at on the Perivale Industrial Estate, Greenford, for Danfoss Newlyn Harbour, Cornwall, are (London). It is due for completion at the end of this year.

and Co. of Ponsanooth and Newton Abbot, part of the Mow-• R. Fox and Sons bas won a contract to undertake high grade spray finishing at The Sbell Centre, London SE1. The The work includes construcwork will cover the main tion of an in situ reinforced entrance and large side windows of the tower block facing the river. concrete jetty and quay, 820 ft

• Three piling contracts, with a total value of about £180,000, have been awarded to West's Piling and Construction Company, of Colnbrook, Slough, part of the WGI engineering group. The piles are to be installed as foundations for a for tanking, root water proving, used as the Cornish base for installed as foundations for a solid floors and vertically or landing mackerel. A new fish bus garage at Thamesmead, for solid noors and vertically of market is a possible develop a cold store extension at Kings structional use. For exposed roof ment on the quay after it is Lynn and bousing at Harts-

PLAN	T&MA	CHI	NERV
	SAL		
Contraction in the	DAD.	ED.	
Description			Telephone
ROLLING MILLS 5in x.12in x 10in wi Four. High Mill. Four.High Mill. 10in x 16in wide fix 10in x 12in wide fix	e variable speed of speed Two High of speed Two High	1 Mill. 1 Mill.	

$\pounds 5\frac{1}{2}$ m. warehouse and offices

THE CONTRACT

papers.

named after the Duke of Edio-Edinhurgh Buildiog. A single unitary structure,

Homes in Sunderland

WORK WILL slart in the next few weeks on a new £24m-plus project to ouild about 150 the north east. houses for owner-occupatioo at the Chapel Garth development at Sunderland, by Tyneside-based bousebuilding group, Agriculture William Leech.

bridge University Press-total office. It will consist of two staff, cost of the work is around warehouses of different heights A r 53.5m—has been awarded to for the hulk slorage, packing extend outwards from a main IDC of Stratford-upon-Avon. and despatch of books, and an central open-plan area on each Printing and publishing office block to bouse 300 pub-house of the University of lishing staff. The six-acre sile ing and give access to the land-Cambridge, the C.U.P, comple- is adjacent to the University scaped terraces hetween them. Cambridge, the C.U.P. comple- is adjacent to the University scaped terraces between them. ments and extends the research Printing House which accom- External cladding, it is said,

storage racking to a height of entrance. The new compley will he 13 metres. The lower singlestorey warehouse will be used burgh—accordingly, called the for short-term storage and have in two phases—warehouses this Edinburgh Buildiog. an area of 4.200 square metres. autumn and the office block in With an area of 5,927 square the summer of next year.

for the the building will bring together metres, the four-storey office design and construction of on to one site all the publisb- block will provide a working warehouses and offices for the ing activities of the Press in the environment specially designed publisbing division of Cam- U.K, apart from a small London for editorial and publishing A number of "pods" are to

and teaching activities of the modates the printing division of university by making available, the Press. world-wide an extensive rang. The high warebouse, for tive landscaping features of academic and educational longer term storage of up to include the extensive planting books, learned journals, bibles, 15m hooks, will have an area of trees and shrubs, and an prayer books and examination of 3.600 square metres, and ornamental pool near the main

Work has started on sita and the project will he completed

roads and sewers for a develop- Universal Engineering and ment in excess of fim. This Finance Corporation(affiliated will provide at least four to the Swiss Bank Corporation), different types of owner-occupler which has just begun work on bomes in the £16,500 to £20,000 range, one type of which is a new three-bedroomed semi-

introducing for the first time to

five years to complete-are all

MARPLES Ridgway Building has diving pool with a 5 metre high heen awarded the Pimfico hoard, and a 16.66 metre by 7 Leisure Centre in Westminster, metre learners pool designed to London, on a contract valued at

£2.5m. The contract is due for com pletion at the end of 1980 and will involve the construction and completion of a rectangular building housing, at one end, a 25 metre main swimming pool, a

Good start by Cubitts OVER 90 homes of traditional

construction are to be built by Cubitts for Bristol City Council under a £984,000 contract. This latest contract makes an

encouraging start for Cubitts and bring the total value of new work gained since the start of

this year to £2m.

The new two-storey homes, flat and houses, are due for comthe agricultural development of pletion in antumn 1980. John Contractors of Canterbury, Kent, new three-bedroomed seni-detached which the company is lic of Togo in West Africa. are the architects and Faithful Detailed plans, execution of and Gould the quantity sur-

clans in Togo-as well as barrack blocks at RAF Chivenor, are Garnett Cloughley Blake induced by structural expansion scheme which will take at least five years to complete-are all contract from the Property Services Agency and in the

$\pounds 2\frac{1}{2}$ m leisure centre

hoard, and a 16.66 metre by 7 the Amateur Swimming Association's recommendations. At the

gets variety

of work Wiltshier International Interior which total nearly £350,000, in-clude a £222,000 refurbishing job at the Palm Beach Casino

other end of the huilding will he INSTABOND is a heavy-duty a sports hall, a conditioning self-adhesive waterproofing mem-room, and four squash courts. hrane developed by D. Anderson The two areas are to he and Son. Intended for warm climates, long by 41 ft wide; the reclamaseparated by a central area with

a communal and administrative section, and facilities for public viewing. The height of the building was determined by the requirements of the various sports activities, particularly the

5-metre high diving hoard. Wiltshier

work.

r00I

ruhher-reinforced hitumen. A car park, polyester foil facing is laminated Due for completion in sum-

finisbes, there is a white grada completed. which has a white mineral completed. granular surface and a glass-fibre

providing accommodation in LATEST contracts awarded to products for all exposed detail A siliconised release paper. backing is applied during manufacture to the underside of both

membranes and is progressively removed during application,

Intended for warm climates, long by 41 ft wide, the rectama-it consists of a glass-fibre core tion of land at the back and thickly coated with a synthetic the provision of a lorry and

core. This is also available in 300 mm wide pre-cut rolls as angle flashing strip which is used in conjunction with both

Instabond can be used on improve the currently con-primed concrete, masonry etc., gested facilities at Newlyn, for tanking, roof waterproofing, especially in winter when it is

The company acquired the in Logo site, in the Doxford Park area, in Logo from the local authority, where it will build seven different it will build seven differeot A SCHEME involving the types of homes at prices from development of almost 7,400 about £17,500.

Washington, the same of extensive pasturage, is the (INDEVSA), and is also respon-has started work on responsibility of Swiss company, sihle for handling the financing. builder

the responsibility of company. It has negotiated this scheme,

estimated at several tens of millions of Swiss francs, in con- Tafarnaubach estate the comacres of land for lrrigation and junction with the Swiss company In the Albany Village area of crops, and another 25,000 acres Industrie et Developpement SA

for four more there of 10,000 sq ft each. Value of the work on this estate is over fim.

contract from the Property In Duke Street, London WI, shrinkage etc., caused by ter Services Agency and in the Wiltshier, is converting a shop perature fluctuations. The meantime with a contract for a and office into an art gallery for chemical composition, allied is block of six 5,000 q ft advance David Grob Fine Arts. The its high bond strength mean factories already under way at designer for this £103,000 con- that it is self-sealing, around the Welsh Development Agency's tract is Robin Samuel. Wilt-mather that the com shier is also modernising a shop D. Anderson and Son Stre pany bas successfully tendered in Romford, Essex, for D. ford, Manchester M32 0YL e for four more there of 10.000 Bussell. factories already under way at the Welsh Development Agency's pany bas successfully tendered. Russell.

Access to high spots

THE NEW Hy-Ryder MZ.40 outriggers on an outreach np Manlift work platform is 23 feet (7m) and can be drive designed safely to lift 500 lh steered raised lowered swm steered, raised, lowered, swu (226.8kg) of men and materials and extended with comple rapidly into inaccessible areas 40 feet (12.2m) above ground precision by the men working from the 30 x 60 inch (76cm level, eliminating all conven-1.5m) platform itself. need for ladder and tional scaffold access. control panels as standar incorporates facilities for a 3

This self-propelled hydraulic zoom work platform requires no

Concrete

pontoon study-

AT THE REQUEST of Cockerill Yards, Hoboken, NV, Belgium, Lloyd's Register of Shipping has carried out a feasibility study of a 130 metre-long pre-stressed reinforced concrete pontoon on which it is intended to install an 8,000 tonne process plant.

The assistanca of the advisory and projects group of Lloyd's Register's hull structures department was requested for the structural design of the pontoon. This involved the formu-lation of the design basis and the evaluation of the design Other aspects which loads. Lloyd's Register considered were the determination of structural response characteristics, an evaluation of the neces-sary prestressing forces, a preliminary structural design and a weight estimate.

During the evaluation of static and environmental loads, special attention was paid to the initial delivery voyage condinions which, for the purpose of the study, were taken to involve an all-seasons open-sea tow

Lloyd's Register of Shipping on 01-709 9166.

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similikage etc., caused by tem-	rour High Mill	
perature fluctuations. The	10in x 16m wide fixed speed Two High Mill.	
chemical composition, allied to	10in x 12in wide fixed speed Two High Mill.	
its high bond strength means	17in x 30in wide fixed speed Two High Mill.	0902 42541/2/3
that it is self-sealing around	24in x 36in wide x 300 HP Two High Mill.	Telex 336414
small puncture points.	1970 CUT-TO-LENGTH max capacity	
D. Anderson and Son, Stret	1,000 mm 2 mm x 7 conner coil fully	0902 42541/2/3
ford, Manchester M32 OYL. el.	overhauled and in excellent condition	Telex 336414
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	rolls, rurk'n head, flaking and fixed recoller,	
outriggers on an outreach np to	air gauging, etc. Variable line speed,	0902 42541/2/3
23 feet (7m) and can be driven.	0/750ft/min and 0/1,500 ft/min.	. Telex 336414
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	Capacity.	
and extended with complete	8 BLOCK (400 mm) IN LINE, NON-SLIP WIRE	Telex 336414
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1.5m) platform itself.	block (1968).	0902 42541/2/3
The unit is fitted with plug-in	24in DIAMETER HORIZONTAL BULL BLOCK	Telex 336414
	by Farmer Norton (1972).	0902 42541/2/3
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Letus make an exhibition of your work!

The DoE and RIBA are once again sponsoring the Good Design in Housing Awards.

The winning designs will be exhibited at the R.I.B.A., then at the Department of the Environment and later at selected centres throughout the country concentrating on the winning locations. The awards ceremony will be featured prominently in the professional and technical journals, and a brochure containing the award-winning designs produced and distributed widely. All this focuses attention on examples of overall good design in housing, the planning of schemes well suited to their environment and the construction of dwellings specially designed to meet the needs of the people who inhabit them.

There are awards in three main

categories - the public sector, the private

housing for the elderly and the handicapped. There is no restriction whatsoever on the size of the private developer entering - a small firm is just as likely to win as a large one. But you can't win unless vou enter. The private sector is divided into two groups: one for lower-priced housing and

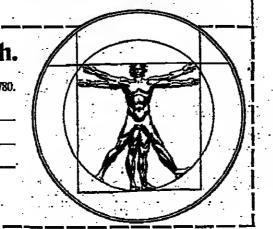
sector and improvement schemes in both

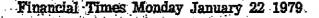
sectors. There are also special awards for

the other for housing with no upper limit on selling price. The minimum number of dwellings per scheme is two. This is to provide more encouragement for the small firm to enter. Assessors will continue to take into account the market for which schemes are commissioned.

This scheme applies to England only.

Closing date for entries 30th March. Photographs and plans may follow up to 12th April. For further details and entry forms send this coupon or telephone 01-928 7855 ext. 780. Name Addrew The Secretary: Awards for Good Design in Honsing 1979. The Department of the Environment | Dept. FT) Room 831, Becket House, .1 Lambeth Palace Road, London SEI 7ER.





MANAGEMENT

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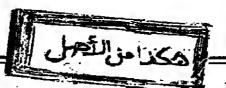
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EDITED BY CHRISTOPHER LOREN

Nicholas Leslie meets the man who helped launch a small Buckinghamshire water treatment company on a new wave of growth How Elga struck the right note for expansion

"I WAS sunbathing in my Wycombe-" and there are not garden one day when this chap many companies in Chiltern came riding up on a horse, villages." looked over my hedge and But there were also some asked ower my hedge and But there were also some and run his company. I said, now appear particularly signifi-No thank yon." That might have been the end recurring grobse among smaller of the matter but, for David Dusingesome that they are ham.

rather unlikely beginning of a tion, relationship which launched a Mo small Buckinghamshire water essen treatment company on a new After gaining degrees in both wave of growth Though still of modest spent most of his formative stature compared with such management years. In the

stature compared with such major competitors as the Portala Group, with its annual water treatment sales of over 55Sn, Elga Products' 1977-78 turnover of £2.5m compares very favourably with the £400,000 it achieved in 1972, the year David Moreau joined the company. the company.

Persisted

Moreau's initial reluctance to join Elga atenmed from the fact that he already had a number of business interests which were fully occupying his time. But Walter Lorchthe borseman and founder of Elga-persisted. He knew of Moreau's reputation and they had elready met when Moreau attended an Elga "Leadership Lunch," an annual - event held by the company for the past turnover in excess of £10m. 24 years.

Lane End, a beantiful area in Here, he masterminded an ex- rapidly that it was taking ten a pure prodoct and was a multi-the Chiltern Hills, near High pansion programme and con- years and at least \$15m of disciplinary husiness. ment to prevent and remove the

of the matter, but for David businessmen that they are ham-Moreau it turned ont to be the strung by Government legisla-Morean's background essentially entreprenet

entrepreneurial. claims.

claims. Though be gained his early experience in a large organisa-tion-Beecham-it was during the period when the group was only just establishing ita ethical pharmacenticals activi-ties. Morean was involved in catting up new constitute in setting up new operations, in particular in Germany and Belgium, and therefore faced the problems and apportunities associated more generally with smaller businesses.

In 1965 Morean left Beecham to set up a UK subsidiary of Syntex Corporation, the U.S. pharmaceuticals group. With f2m from the parent company Moreau established a business at Maidenhead, in Berkshire. This is now making an annual

Moreau bad been beadhunted Several , factors , swayed both to that joh and again in Moreau to change bis mind. In 1970, to Weddel Pharmaceuti-



struction of a new factory. Two investment to produce each new years later he moved to Elga, drug. And though be appre- in acquiring Morean was to en-though he remains as non- cistes the need for safety, he able him to retire from Elga. executive chairman of Weddel. was disillusioned with having to He had founded the company in The serious reason for his "wrangle with governments all 1937 to manufacture electrical move was that he was getting over the world."

fed up with pbarmaceuticals Several, factors swayed both to that joh and again in because of what he calls the with the opportunity of running into water purification, after en-Moreau to change bis mind. In 1970, to Weddel Pharmaceuti- "creeping bureaucracy" in the a company in a new iodustry, countering the problems asso-light vein, but nevertheless an cals, part of the Vestry shipping industry. He felt the golden but nevertheless one with ciated with tap water silting np important consideration, was and meat trading group, where era of pharmaceuticals bad factors common to phamaceutithe fact that Elga is based at he became general manager. ended; costs were rising so cals. For example, it involved

Elga, he felt, presented him tic appliances. In 1954 be moved

steam irons and other appliances. He realised the potential

Walter Lorch's own objective

sentation of products more colaction of contaminants. our in advertising and publicity Today, Elga makes both custom-designed and standard systems using de-ionisation and material, and generally tried to put over an image of quality reverse osmosis techniques to remove contaminants. Its proproducts and aervice. Somewhat ioevitably, there ducts are used in laboratories, were casualties in the ranks of management. Moreau'a explana-tion of this is perhaps best summed up in his statement that "the whole nature of a hospitals and such industries as soft drinks, paints and

cosmetics. Although Moreau is extremely diplomstic about his early relacompany changes when you spur clearly some problems to over-come. After all, both were it on. So you need young people, or older people with consider-able flexibility." strong characters with their own ldeas on how things should he done. And though Lorch was Relishes planning to retire, it would still be a wrench to withdraw after 35 years, even if you do have a whole host of other interests in-Many of the current management have come up through the ranks and Moreau clearly relishes the idea of people taking this path. "What I like is to cluding vintage cars, a stud farm, skiing and writing; he has take aomebody who 1 feel has a written a hook on all types of ski mobiles and is currently particular talent and give him a chance to use it," be anys. writing an encyclopaedia on Thus, a former technical reprewater treatment plants.

sentative is now Elga's technical director and a former secretary has taken charge of publicity, with a budget of £150,000 a year. A shift in product mix has A good insight into the man (and perhaps one appropriate to most strong-minded entrepreneurs) is the caption to a portrait of Lorch that bangs at also taken place. Instead of custhe company's headonarters. It tom-designed products accountsays: "If at first you don't agree ing for virtually all of the with me, try try try again." business, a greater number of

Eventually the two men came more or less standard products to understand one another and has been introduced, allowing an Moreau found bimself left to increased element of less costly production lice maoufacture. his own devices to develop a company which had a strong technical hase, but which in terms of sales bad remained on making technical advances, since 100 plateau for several years.

His immediate answer to this purification field, says Moreau. situation seema simple, though is one often either rejected by companies or handled badly. He beefed up the marketing posite membrane being develeffort, hy employing hetter pre-

pre-treatment being needed, thus saving costs.

Another research area is con cerned with the way resins used n water treatment tend to get fouled up by organic materials, such as leaves. A " scavanger " resin to rot these organisms, so preventing fouling, would save considerable costs since cleaning resins is an expensive pro-

Clearly, Elga'a competitors must be thinking along similar lines, ao what doea Moreau think of the competition? "I am glad the market is well populated," he saya. "We are confident in ourselves and do not see any serious problems." Portals Group, Elga's main com-parities becaute the south means "We are petitor, has without doubt more muscle overall but Moreau maintaioa that since the con-stituent companies of Portals with which Elga competes directly-such as Permutit and Houseman-are of comparable size to his company, he is not particularly worried.

In recent years Elga has increased its advertisiog effort, particularly in specialist maga-zinea. From this, over 4,000 inquiries are received each year, a good many being con-verted into orders, says Moreau, Because of this Elga does not have a large number of salesmen. Instead, it concentrates on maintaining a Research is aimed largely at strong force of engineera for commissioning and maintaining ciple" seems particularly likely plant at the present time in the water Of t

Of the progress the company has made, one factor pleases He sees, for example, a com- Moreau above all else. Turnover per employee bas gone up oped in the reverse-osmosis sloce he joined from £7,000 to field which will result io less nearly £18,000.

> assets" even if volume growth "In the UK, in spite of its

lower growth, we bave met with

some success by maintaining

prices at the expense of volume," he said. "In the U.S. also, the more

pricing policies during times of

has led to a higher profit performance." This was a

over-capacity and low growth

approach

to

SIR Raymond Pennock, deputy chairman of 1CI describes as "dangerous." the widely accepted view that the only way for a company to achieve growth in a low growth economy is to increase its market sbare.

The attitude that " market share must be objective number one" has been fostered through panies to adopt to the problem prices to increase their market clting new ICI products in years of practice by leading of low growth is a much more multinational companies and by sensible pricing policy." Sir advice from management con Raymond told bankers, and sultants. - It- was supported investment analysts at the making losses. suitants. It was supported investment, analysis at the making reses. The making reses. The said that ICI's capital repeatedly, by prominent seminar, organised by Euro In spite of the general He said that ICI's capital speakers from all over Europe finance. decline in economic growth, expenditure in 1978 of \$1.2bn at a seminar in Brussels last. Six Raymond intensified his introduction of innovative pro- may prove to have been higher week on "Strategies for the company's earlier attacks on its ducts remained a potential than other world majors, includ-

main European competitors for source of growth in the chemical Ing Dow, Bayer, BASF, Dupont Early Eightles." The proper solution for com- their " myopic policy," of cutting industry, Sir Raymond said, and Hoechst.

The dangers of going for increased market share

BY CHRISTOPHER LORENZ

sbare. Since none of the majors herbicides, fungicides, blocides, was prepared to share market dyestuffs, inorganic fibres, and share, they succeeded only in especially pharmaceuticals and feedstuffs

Sir Raymood admitted that there were circumstances and busines industries where price cutting during a recession could be a

profitable policy. In electronics, for example, Texas Instruments has repeatedly carried several years of losses in particular industry's product sectors-including cal-culators and digital watches-

Questioned after his speech, and bas emerged with a greater strength, all of them unwilling market share and a more stable to cede market share.

But Sir Raymond said doubted whether such a strategy could be successfully applied to more · mature products and industries, especially if the were structure cbaracterised by several mann- trying "to maintain prices at service and quality facturers of relatively equal levels which reward existing SIr Raymond said.

This is not the first time 1CI has attacked its main European competitors for drastic price cutting in depressed sectors of the market - pre-eminently synthetic fibres. The group has, to quote Sir Raymond, been

Consisting of a main block,

"fundamentally new prin-

reference to the recent policy of the U.S. majors in avoiding price cutting. In such circumstances, " competition has rested more on service and quality of products,"

sophisticated



EDITED BY ARTHUR BENNETT AND TED SCHOETERS

AUTOMATION No need for the human hand

Japan by Fujitsu Fanue are to supply five associated metal be marketed by Hydro Machine removal machines placed around the UK at prices ranging from loading stations. 25 000 to 560 000 Introducing the new units, 600

can move bodily up and down, such installations in the UK at rotate on its own axis, move the moment compared with an backwards and forwards hori- estimated 20,000 to 25,000 in zontally, while the picking hand Japan a figure described hy is able to twist or tilt. Sir Jack as "frightening."

• INSTRUMENTS Flow tested by sound

open channels bas been intro- measured. Its internal circuitry duced by Robertshaw Skil of ahapes the signal to the pattern

difficult situations where and flow conversion measure-accurate readings are often ment in flumes or weirs. difficult to obtain with conven-tional equipment. It will find particular application in the particular application in the signal for extreme resolution FAST RESPONSE uncooled marketing oo electric car trans. 360 x 120 x 295 mm. sewerage and process industries and repeatability. Output indica-infra-red detectors for industrial industry, firing its first shots at bends and up vertical rises and and relies on the precise tion and loss of features as is air high speed infra-red imaging electronic equipment makers. can change from track to track required for a transmitted nitrasonic pulse to travel to the surface of the process medium and back to the instrument. This time is directly proportional to the height of the unit above the surface and calibration is a

Temperature indicator

a microprocessor to deal with sary analogue to digital versatility of temperature conversion.

Four models are available grains, chemicals and other covering a total range of -35 industrial thermal environto +149 deg C and each is ments. housed in a high impact The company is at Kenfig Microwave Limited, Wood These will cover data com-alnminium case on the panel of Industrial Estate, Margam, Port Burcote Way, Towcester, munications in retailing, elec-which is mounted an on-off Talbot, West Glamorgan SA13 Northants NN12 7JN. Towcester tight via antications the data of the second se button, LED display in 8 mm 2PW (0656 740551).

ROBOTS designed and made in As a result, the robot can

E25,000 to £60,000. Basically, tha machines are Group chairman Sir Jack Well-programmed pick - and - place ings said that although consider-mechanical arms and bands, and able initial effort will be needed

existing numerically controlled acceptable; their unimate data lathes, making it possible to was "absolutely inevitable" produce turned components and the company was deter. RETAIL STORE units to functions such as price look-up Merchandise Control. produce turned components and the company was deter. RETAIL STORE units to functions such as price look-up Merchandise Control. The programs can be process data from su checking. Date of the units, Sirobot 2, stages of growth. bas five basic movements and installations in the UK at the units of the units of the stores data state of the units as stock levels, gross

laboratories and workshops,

ULTRASONIC level detector beam pattern of wide span and and the IBM 5266. These 34 computer to aupport the and System 38 computers. equipment which can also be it can be mounted up to 1,000 ft terminals may be used singly 5260. These are: Data Prepara- IBM, Wigmore Street, used for flow massurement in away from the level to be or in groups and can offer tion. Sales Audit and Loodon WIH OAB. 01-935 6600.

Skehnersdale Lancashire. required for a specific situation. PROCESSING The new instrument, model For example, linear characteri-165, has been developed for sation is for level applications

In addition, the signal ia detectors path temperature compensation. and detection from Plessey are Optional components which for applications such as for Optional components which for applicatious such as fast own factory at Gosport and disprogrammed to stop at any can be fitted internally to the feedback control of laser cutting, model 165 include integrators, welding and engraving installa- totalizers alarm contacts and an engraving installatotalisers, alarm contacts and an tions. inkless, strip chart recorder.

The wide spectral response Robertshaw Skil, Greenhey and high detectivity of these The ultrasonic detector Place, East Gillibrands, pyroelectric detectors is ideal for many general purpose infra-red laser studies, where the

required. INTRODUCED INTO the UK numerala and a probe socket. from the U.S. by British Roto-therm is handbeld digital thermometer which makes use of more than two dozen Inter-More than two dozen Inter-The display can be provided in the PLT 411F series, have as detector element a single lithium tantalate crystal 1 mm Post Office Telecommunications Ing, a user perspective of telelinearisation of sensor charace changeable probe heads are x 1 min which has write the terminant teristics and to control the neces. available to allow considerable responsivity, but for maximum teristics and to control the neces. a pyroelectric ceramic element can be offered.

Commercial enquiries ta (0327) 51871.

prospect. says managing in the southern section of an director Harry Jackson, "of the probes are in the same 800 mile long 56 inch gas pipe more to come" when further straight line, parallel to the line that will take gas from extensions are constructed. Iran into Russia will be ultra- MatEval has supplied the

sonically tested by a complex latest machine to Saipem SpA antomated system made by of Milan which is responsible MatEval NDT Company of for construction of the southern Newton-le-Willows. Similar section, units have already been The t

The unit consists essentially be operated in a transmit/ northern section. wbicb is clamped round the turn being used as a transmitter MatEval equipment will be pipe and a second, slewing ring while the others receive—a responsible for most of the which carries the testing bead technique particularly iotended more advanced testing on the and moves round the circum- to detect vertical planar defects more advanced testing on the ference, testing a weld in about and lack of sidewall fusion. project; including mobile ference, testing a weld in about three minutes.

MatEval is part of BIX (UK) Tools, of Halstead, Esser (a it with stock metal and remove laboratories and workshops, In operation two sets of four which is at Commerce Way. member of the 600 Group), in the finished components to off- busines won by the company ultrasonic probes monuted on Leighton Buzzard, Bedfordshire In operation two sets of four which is at Commerce Way. without success. totals over £1.5m with the the moving head are positioned (0525 377206).

will complement the company's in the UK to make such systems acceptable; their ultimate use IBM point-of-sale equipment

process data from small discs an economical store-and-forward data collection system for both individual and multiple storea bave heen announced by the transaction details are stored. General Systems Division of The 5266 is a satellite terminal United Kingdom, for without disc. Up to 10 52668 moving items. The stored to the store and the abipment to start at the end of may be attached to a 5265 in be used to pass edited data to the year. The IBM 5260 Retail Store instructions and data storage. computer, such as sales ledger Sinter apprint of two point of Three new retail application and payroll. The Data System consists of two point of rograms have also been Preparation Program is also announced on the IBM System/ available on both. System/32

HANDLING Moves materials around

FOLLOWING success of the at intervals. Payload of the equipment in offica environ- vehicles is eight kilogrammes ments, D. D. Lamson is to start and the space for the load is marketing oo electric car trans- 360 x 120 x 295 mm.

The move follows trials in its at transfer points. Thay can be

might for example pass between sec, vertical speed fonr metres/ two muss of work benches. Each sec. ear picks up a 24 VDC supply M from the track which in turn is Gosport, Hampsbire (07017 detection of low power fast infra-red pulse chains is • CONFERENCE

changeable probe heads are x 1 mm which has high voltaga symposium last September communications, and an ICL available to allow considerable responsivity, but for maximum which was attended by 200 view of communications-based mean power handling capability people, Information Studies has computer systems. organised a repeat of the event

nounced a number of kindred March and the end of May, and

tivity via automation, the 4244).

and welding is the problem of welding clamp, levelling and aligning the fitting to the pipe. support device, rim-type re-Further problems are encoun-forming clamp and double plpe axis. Each of the probes is fired in turn in a pulse echo tered in bandling the pipe, in jackscrew clamp. is free in turn in a pine total tered in banding the pipe, in jacastrew trainp, mode, yielding data about fitting, and attemptiog to A chain, bracket, hook and longitudinal defects along the achieve a reasonable degree of fine adjustment mechanism main body and root of the weld. accuracy in line-up prior to comprise the bold-down clamp

welding. "units have already been The unit consists essentially be operated in a transmitter of the constant, while preparing for a near supplied to Russia for the of an inner ring in two balves receive mode, each crystal in headaches ensuing from this The pipe welding clamp is ad-northern section. Which is champed round the turn being used as a transmitter exercise is the recent alory of justable for over 100 fit and for two welding teams of four men. a variety of pipe sizes and fita side which took four and a half a side which took four and a half tings, including valves and is days on a North Sea oil platform said to be the most versatile attempting maintenance opera- clamp in the piping industry, tions to a 24 inch riser pipe ... Ideal for pipes from one inch to 54 inches.

The exercise was, bowever, completed within one and a balf bours, after engioeer Keith Adderton had arrived and impleted within one and a balf bours, after engioeer Keith jack hars and screws, apacing Alderton bad arrived and imple-mented the new-to-this-country screws and a chain, it is secured Dearman system, specially flown over from Houston, U.S. over from Houston, U.S. fine adjustment crank-the pipe

Englishman Alderton bad is then ready to accept the fit-porked for an American oil ting. Jack bars may be added worked for an American oil company in the U.S. and waa The programs can be used to or removed as required. familiar with the new plpewelding technique, developed the levelling and supporting tems in that it operates from an there by veteran pipe-fitter Tim device, which is secured to the actual model of factory condithere by veteran pipe-fitter Tim Dearman. The latter bad main block of the clamp by a suffered over a quarter of a chain, it is safely held, an uncentury of constant frustration disputable asset to the fitter and in the industry, and had finally come up with a jackscrew eliminating the need for lugs device allows a precise opening and closing of the gap at the

top between fitting and pipe place of a whole range of inand, by turning the fice adjustdividual pipe clamps. Alderton is the sales engineer of a company (part of the Avon group). ALH Systems, the top is tack welded, then the Westbury, Wiltsbire, which will now distribute the system Clamps and devices are removed and spaced, and spaced, then the bottom, followed by the sides. thronghout the UK and Europe. and the weld completed. The method employs a series

More on 0373 823814.

Checks the dimensions

AVAILABLE from Machsize is ing a central, two higb and two a 250 mm (10 inch) vertical low bands. Alternatively, the display column using 100 plug-in light emitting diode lamps, changes in reading, memorising one of which lights up according only maximum and minimum, to dimensions sensed by an for concentricity checks. assoclated transducer. Rasolu- Another option is a Another option is a signal mixing unit hased on a differen-tial amplifier for adding or sub-

Full scale deflection is in six ranges from 0.025 mm (0.001 inch) to 0.5 mm (0.020 inch), different scales being applied to give readings in metric or imperial units.

Ranges are normally changed by altering jump-plug positions on the single printed circuit recorders, digital meters and analogue to digital data systems, board used in the device, but for The company is also in a major function changes the The company is also in a complete board is replaced. position to aupply completely Gauges can be stacked sideways tooled machines equipped with take advantage of the opening to give up to five readings at a battery of gauges for checking up of trade with this country,

Red or green LEDs can be used, or a mixture out of tolerance readings could be red

Machsize is at Clarendon Options include grading facili- Avenue, Leamington Spa, War- delivery in Peking of two of the fies with, say, five lamps show- wickshire (0926 312542).

same time.

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ment has been - Fala extended and now provides for +1+ inch piping installations. (IMI NORGREN LTD. which holds a pipe stationary Tancing Pick Field Inc. ALT (hay)

> DATA 0 PROCESSES Analyses

DESIGNED OVER a period of

eight years by production experts, with the intention of accurately simulating a factory, EBS 11 differs from other sys-As the fitting is supported by tions.

It takes into account wbat nperations bave beeo done on the factory floor, the total operations involved for each welder in a normally dangerous operation. The levelling and supporting order, and the maoufacturing stage each has reached. Each machine operation is identified; as well as the grade of operator available at each stage, and the system makes continual use of available flexibility in the allocation of machines and people to the current mix of work to obtain optimum results. Each work centre is analysed

and the resource allocator routes the work in accordance with the centres required and whether or not the job can be done on all machines in that work centre or only certain units.

EBS 11 is unique in having a resource allocator which takes account of all these factors as a matter of course.

Apart from the technical advantagea of EBS 11, a further factor is its low price.

Four systema are presently installed—at Metal Box, GEC, Pye, and Drayton Controls. Samleco, Olympic House, 63, Woodside Road, Amersbam, Bucks. HP6 6AA. (02403 21825).

Computers installed for exampla and used for the direct drive of chart for China

the difficult business of export-ing techoology to China, and among the first companies to several component dimensions is London-based Abacus Comand other parametars at the puters, 62 New Cavendish Street, London W1V 5PH

> The Chinese bave just taken company's medium-sized com-

CLAIMING TO be a leader in (01-734 2907).

tion is one per cent and the display is flicker-free. tracting two or more readinga

-useful for checking taper. Full provision is made for interfacing the gauge with other electronic equipment. An ana-logue processing unit can be

More from Harbour Road

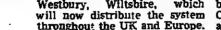
on January 29-30 and has an- in the above order between mid- the same time.

The meetings will take place

Track for the system can be or at the press of a button. floor, wall or ceiling-mounted or Horizontal speed is six metres/

e ELECTRONICS

system which, apart from and wedges, meant that one simple clamp could take the



LOMBARD That mysterious pay data bank

BY SAMUEL BRITTAN

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source of information on the current pay rise outside Government sources.

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The Data Bank was set up in 1977 at a time of Stage Three. Over 8 million workers were covered last year: and enquiries. bave not been confined to CBL members. The Bank bad quite a not the removal of sanctions, success in assessing the movement of wages in Stage Three. The present pay round is much more difficult to assess. This is both because the 5 per cent norm is much further below the going rate than the 10 per cent one of Stage Three. and because negotiators bave deliberately delayed settling. The CBI's error up to early January was that it tried too bard to present the figures in a way which would help the Government's 5 per cent pay guidelines.

Fortunately the CBI is now moving to a more open policy. Its latest figures cover 1.6m workers who have so far settled; and the lag in reporting can be anything from a few days to a month. The oil tanker drivers, for instance, are still excluded. The CBI has now dropped the stress on compliance with the official guidelines and is concentrating more on "telling it like it is."

The outstanding fact is that about 1.3m of the workers who have so far settled are covered hy Wages Council awards or agreements." Both national set minimum rather thao actual rates. Indeed over tworeceived well above 5 per cent, low pay.

The nuh of the CBI information relates to 512 settlements during this round is a combinacovering over 300,000 employ- tion of low settlements and ees of private eector companies. abnormally high drift in the Some 55 per cent of these employees settled at 5 per cent or ess. Another 10 per cent settled at between 5 and 10 per of actual earnings could be out that about 35 per cent of round is in the admittedly broad

The CBI excludes so-called much above 10 per cent, or even deals"

MANY PEOPLE must have totals. But it does say that about been puzzled to see at the end, one-fifth of those covered by of the first week of January a settlements in the 5-10 per cent report that the CBI Data Bank range and about two-fifths of was claiming that most settle- those receiving 5 per cent ments were in keeping with the obtained also a productivity Governmeot's pay guidelines, element. This is said to be worth on average about 5 per The fact remains that if worth on average about 5 per analysed properly the Data Bank cent. An approximate figure is probably the best available suggests a going rate of settlement so far of about 8 to 10 per

cent, depending on whether or not productivity deale are included. CBI members are reporting expectations of larger pay rises than they were a few weeks ago. But the main reasons given are which has so infuriated the

Whiteball establishment, as the publicity given to the tanker driver and road haulage disputes and also to the BBC settlement, in which the Government clearly connived.

The end of three years of rigid controls must inevitably cause some pay explosion. Moreovar, existing monetary guidelines, although tight enough to pre-vent a breakthrough of 1974-75 proportions are far too high to be consistent with anything like the 5 per cent settlements norm. as I pointed out at the time of

mail

last summer'a White Paper. The danger, however, is that the headlines about settlements will give an impression of a much greater acceleration in pay than is justified. The CBI's earlier over-cautious presentation may itself contribute a little here. But much more important are the distortions in the settlements themselves peculiar to this particular pay round. When

sanctions were in force there was an obvious incentive on all sides to minimise published percentages and to pnt the emphasie on the productivity deals, deferred elements and other ways round. Now union leaders bave an interest in fifths of all employeee, who maximising beadline percent-have so far settled bave ages. In one prominent recent settlement, which was reported but bave used the eacape to be worth up to 15 per cent clauses of the official White was believed by employers to be Paper, including the one for worth 11 or 12 per cent.

during this round is a combina-What we look like seeing least. early part, and high settlements with abnormally low drift in the later phase. But the movement cent; from this it does not take much less sensational. The a mathematical genius to work CBI's best stimate for this those in private sector settle- range of 11 to 15 per cent. ments received above 10 per Given a firm policy towards cent—probably all 10 to 15 per sterling this could still be consistent with inflation not going

"self - financing productivity necessarily reaching that figure, deals" from its summarised for the rest of this year.

Variations on a theme of picketing

PICKETING is a loose word bidding. But it is not possible slightest sign of trouble, the the strike-breaking worker who must be in contemplation or fur papers to "black" all news-covering a multitude of actiona to assert either that picketing police may move in and ask the taken by those on strike seek is legal or illegal. It all pickets to move on Picketing ing to persuade others—fellow depends.

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workers, substitute labour, customers or suppliers - to a minimal right to picket is un-abruptly. It is tolerated only cluding the selectively deaf) can assist in the industrial action doubted. The problem is to so long as the police agree. In svoid the blandishments for so by causing those others not to say how far that minimal right the event, trade unionists sen- long as it takes him to deal with the employer in discussion advance with the gauntiet of the picket. pute. (It has even been ex- how far conduct declared law- police the limits of their protended to demonstrations by the ful by statute would be unlawconsumer protection lobby). ful without it. Section 15, Since 1875, Parliament bas Trade Union and Labour Relaattempted, with intermittent tions Act 1974 - the latest of help from the courts, to define four legislative steps says that what picketing is legal and what it shall be lawful for people to is not. Its relative failure is attend at or near certain places reflected in the uncertainty for certain purposes, so long as about the legality of the action they act in contemplation or of picketing lorry drivers in the furtherance of a trade dispute. The crucial element in that road baulage strike.

provision is the conluding phrase, as it has been inter-preted by the courts within the All the variations on the single theme of plcketing can be, and are pursued with last year or so. But, quite apart greater or lesser degrees of vigour. A picket may stand in from the restricted way in which the courts have interpreted sullen silence outside the that phrase, the section in the employer's factory gates, con-Act gives a very limited right. tent with displaying on a placard the fact of the strike in language calculated to en-It is, above all, always subject to regulation by the police courage workers' solidarity. in exercise of their power to Another might find the silent prevent a breach of the peace. vigil too tame and ineffective. Much recent picketing bas come perilously close to the physical He may indulge in practices blocking of the roads leading to that, more or less, are found and from the place of work and tolerable in a civilised country. A demand, for example, that an as such constitutes a public employer should pay money to nuisance which is a crime as well as a civil wrong. a trade union before deliveries In such a eltuation not to

will be allowed on to the employer'e premises is pure exobey a policeman's instructions tortion and constitutes black-(provided he acts reasonably in order to prevant a breach of In some instances the attempt to persuade by protest and demonstration spills over into violent action and serious— Mass picketing is thus almost even fatal—injury. In between bound to fall foul of the law. the two extremes there is a Trade unionists object that violent action and serious-

the two extremes there is a whole gradation of conduct this places far too large a dis- is the rub. that the law ought to be defi- cretion in the bands of the A picket, in days gone by, bighway or causing a public when it instructed its members trade union's immunity from nite about in tolerating or for- police. As soon as there is the could get across his message to nuisance is that their activity on the Express group of news legal action.

That Parliament has given it will be brought to an end solidarity; and only the deaf (in-

posed activities. This, it is forcibly said, the bus, are not readily denotes the right into a reachable, except perhaps by a privilege et the behest of the powerful microphone, and even police. Neither sinde can be

THE WEEK IN THE COURTS BY JUSTINIAN

very happy with this state of great and will he ephermeral. affairs, but it is difficult to see Before the Trade Disputes

Act 1906 there was a controhow it could be otherwise. Perhapa there should be versy over what was a established local machinery for ful" picketing and wh established local machinery for ful" picketing and what was defining the limits of picketing nat. The Act solved the proplem by making it clear at heast that peaceful picketing included. rather than have a law or a code of practice that cannot deal with the ad hog situation. not only peaceful transmission, of information (that there was Given police tolerance, there

is, nevertheless, a right to attend a place of work, but only for the purpose of obtaining or communicating information or "peacefully persuading" another person. Attendance for that purpose includes the right to try

and persuade anyone who chooses to stop and listen, in so far as that can he done in a the peace) may amount to an reasonable way with dne conoffence of obstructing the police sideration for others. in the execution of their duty. But there is decidely no right

to submit anyone to any kind of constraint or restriction upon his personal freedom. And there

long as it takes him to run the

Bnt the man st the wheel of his car, or the passengers in then the penetration will not be

lists. That action was clearly Four years ago Lord Denning unlawful, unless the action was proclaimed that the right to taken in contemplation or furtherance of a trade dispute....

as well as those engaged in industrial action. In the case where a number of citizens: in Islington demonstrated outside' doing it by an injunction from

the conris In dissenting, Lord Denning asked rhetorically: "Why should workers be allowed to picket anfi other people not? Apart from the fact that in the case of a trade dispute the matter is governed by Act of Parliament, the law draws no distinc. tion between the two kinds of picketing. That expansive approach to

' peacepeaceful picketing would seem to indicate that the courts would fayour a liberal interpretation of what constituted "the fartherance of a trade dispute," and in particular would encompass secondary picketing or sympathetic picketing. But no. In a series of cases under the provision giving immunity in trade unions from being sued, Lord Danning and his col-leagues have restricted the ambit of that immunity. And lawyers this last week has been that the courts have clipped the wings of the trade unionists who had thought that the latest legis-lative essay into the conferment what goes for trade unions in their industrial action that in-

duces its members to break of legal immunity for all kinds their contracts of employment, of indostrial action was compreso the same appears to go for hensive. It looks now as if, when the winter of our disconpicketing. The most recent instance in tent has passed. Parliament will volved the action taken by the again be debating the score of

THEATRES LYRIC THEATRE CC 01-437 3688 Evs. 8.00, Thurs 3.00, 534 8.00, 18.30 BARBARA FRANK JEFORD FRUMENA Directed by FRANCO 25FIRELI Society of West End Thositre Award COMEOY DIP THE YEAR TOTAL TRIUMPH" E. Name. AN EVENT TO TREASURE D. MID. MAY IT FILL THE LYNIC FOR A HUNDRED YEARS. Sunday Times. WEMBLEY ARENA 01-902 1234 The family bidents of the test of the test of the test of the test of the test of the test of WESTMINSTER THEATRE, C.C. 834 0285. 2.au ang 5.00. Mts. 2.au and 5.30. "JOSEPH AND THE AMAZING RECHIN-COLOR. DRLAMCOAT," by Tim TRUG and Andrew Llord Webber, 52. 53. BOOK NOW-CLOSING FEB., 17.

YEARS." Sunday Times." MAYFAIR. 629 3036. (Green Park. Tube Ev. 8. Wed. Mat. 3. Sat. 5.30 and 8.30 WELSH NATIONAL THEATOR CO. 1 INIAN NDIR MILK. We Omsterplet Byten Hondust and Path. 3.

Setton must and formation of the setton must and formation of the setton must and formation of the setton must and the setton must and the setton of th

PALACE. CC. 01-437 6834. Mon.-Thurs. B: FrL and Sat. 6.00, 8.40. JESUS, CHRIST. SUPPRESTAR by Thm Rice and Andrew Lloyd-Webbin

by Thm Rice and Andrew Lovd-Webbit PALLADIUM. CC. 01-437 7273; Twice dally 2.45 and 7.30; DANNY LA RUE at "Merry" Wildow Twankke in ALFREO MARKS AS ABANAZAR Divs WC/TLINC. Britw MAPSHALLS': Divs WC/TLINC. Britw MAPSHALLS': and WAYNE SLEEP. "One of the best defined and formers' partice to be stread at the falledium for years' 0. Mirror, The hely laurhs come almost non-strop." S. Proce. 'SEATS' AVAILABLE FOR TODAY'S PERFORMANCES...

₩GB \

WITH THE SEASON'S most Albion Prince, the market competitive handicap hurdle, the leader in several lists, will repressince narrowly escaping disaster Schweppes Gold Trophy, less sent Fred Rimell in preference when crashing through the rail

BY PAMELA JUDGE

hy Jimmy Burke after Heatber Hawk, in receipt of 32 lb, had set up an nnassialable advantage

the aid of preliminary races, are hecoming anxious to say the For this reason those intrepid ante-post backers who annually take a shot at picking the novices hardle.

ner with either the advantage of a recent outing or is likely to be at his best after a light preparation. From each of these categories, those to bear close inspection are Albion Prince and because of the weather, and we bad to get a race into him before There seems little doubt that the Schweppes," she said.

Within the Law, not seen out to five other Kinnersley entries. two flights from bome in the The Prince Regent borse, the Bula hurdle at Cheltenham early subject of come good sized ante- last month, lost the opportunity posts bets when his weight of of a preliminary run at Haydock. 10 st 10 lb became known, put However, unlike Albion Prince, up a more than useful perform- the Peter Easterby gelding, win ance when given the opportunity ner of his first three races last of a much needed run at term, needs little preparation term, needs little preparation and the absence of a previous run would in no way dampen bopes for him mv 01 February 10. With 11 st. the Easterby bay

seems to bold every bit as bright chance as his stable-mate Major Thompson, who is 10 lb heavier than bim in the weights Dikaro Lady, Kenlis and Badsworth Boy all look likely prospects for Tony Dickinson at

more hope than confidence that I suggest Kenlis as his best bet. TEESSIDE

1.45—Irish Prince 3.15—Kenlis*** 3.45-Badsworth Boy*

OPERA & BALLET COLISEUM, Credit. cards. 01-240 5258; Reservations 01-836 3101 ENGLISH NATIONAL OPERA Justanding Achievement in Opera Temorrow, Thur & Sai 7.30 Totat, Wed & Fri 7.30 J Trovatore. .104 balcony seats avail for all perfs from 10.00 on day of peri.

COVENT GARDEN. CC. 248 1066-(Gardencharge Credit Cards 836 6903) THE ROYAL BALLET. Ton: 7.30 The Firebird. Scenes de ballet. The Ritc of Spring. Wed & File 7.30 Manon. Sat 2.00 La Fille mai narder. partice. The ROYAL OPERA Thur & Sat 7.30 Don Pasquale. 65 Amphi' sets available all perts, from 10 am on day of perf.

SAOLER'S WELLS THEATRE Rosebery Ave., ECI., 837 1672. Till Feb. 24 ITOVLY CARTE In GLIBERT & SULLIVAN EVOS. 7.30, Mat. Wed. & Sat. 2.30, Till Sat HMS PINAFORE. Jan 29 to 31 THE MIKADO.

THEATRES

ADELPHI THEATRE. 01-830 7011. Erenings at 7.30. Mats. Thursday 3.00, Saturdays 4.00. THE SUNNY SPECTACULAR MUSICAL BASED IN THE BEST SELLING NOVEL "AFTER MC, THE DELUGE." The Timog says "A HAPPY FAMILY SHOW." Credit Card bookings 01-836 7814. ALBERY, From 8.30 am, 836 3875, CC. Bkos, 636 1071-3, Party rates, evs, 7.45, Thurs, and Sats, 438, 8, A THOUSAND TIMES WELCOME IS LIONEL BARTS -

ENTERTAINMEN

WYMDNAAMS. From 8.20 am. 01-836 3028. Credit card blos. 836-1071. Mon 2018. State State State State State 1018. State State State State State Weiter State State State State Weiter State State State Weiter State State State UNCE A CATHOLIC Sure-fre Counsily on See and religion. 0.1. MAKE WITER AUGHTER, Cartinglan.

VOLING VIC. 223,6352. Ers. 7.45. Mata Tomor, A. 2012, 2014 Woods adaptation of Acceptentation Jan 20, For Son 2, Weeks Chrysterion Jan 20, For 7.45. Johns Obtornet LOOK, BACK IN. ANGEEL

than three weeks away, many trainers unable to do anything bnt minimal work with their Newbury hopefuls and denied

RACING

Not given a hard race there

approaching the final flight, Albion Prince coasted home a respectable second to the Ted Carter gelding, thought good enough by his bandler to take the field for the Sun Alliance

Schweppes winner are probably best advised to look for a run-

Likely prospects at Newbury

Mercy Rimell, understandably more than pleased with Albion Prince's effort, was in no doubt that the race would do the fiveyear-old nothing hut good, "He basn't done much at home

Wolverhampton last week.

reesside today, and it is with

12.45—Dikaro Lady** 1.15—Most Jubilant

a strike going on) but also peaceful persuasion (not to cross the picket line), and it has been repeated in the recent lagislation of 1971 and 1974. But the protection of the

pickets against criminal prose-cution or civil proceedings covered only producer-picketing and not consumer-picketing; that is, persuasion not to work as opposed to persuasion not to.

buy.

The essential protection to

peaceful picketers who might

picket, so long as it was peaceful, could be indulged in by The National Union of Jourthose making political protests the premises of a local estate that was enough to bring them

nalists genuinely and bonestly believed that the blacking would assist their provincial members and advance the cause; and that agent, they were stopped from within the immunity. But Lord Denning is reported

by the Daily Telegraph of December 21 assaying: " It is not sufficient that the trade union leader should advance the cause. It is not merely a subjective test. The act must be such as to helda reasonable prospect or be reasonably capable, of advancing a trade dispute."

The journalists who were asked to black the copy were not themselves in dispute with their employer, hence the Court of Appeal was able to say that the evidence was not sufficiently compelling to show that the sup-porters of the surfixers were themselves engaged in a contemplated trade dispute, or acting in furtherance of one.

The concluded view of labour

THEATRES

WHITEHALL CC 01-030 6592-7765. Mondy to Thors. 8.00. Methees, Fr. Berger Start, S.J. Methees, Fr. IPI TOMBI. Exciting Bizck African Mosteol. "A pulsating musical." E. News. Seal Prices 52.50. 20 55.00. FOURTH GREAT, YEAR.

INDMILL THEATRE Twice Nighty 5.00 and 10.00 Similary 5.00 and 8.00. PAUL TRAV 9.00 presents THE ENOTIC - EXPERIENCE OF THE MODERN ERA MODERN ERA New

Takes to papercedented limits permissible on our stage.... THIRD GREAT YEAR



† Indicates programme in black and white

BBC 1

9.15 am For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges, 12.45 pm News. 1.00 Pebble Mill. 1.45 Barnaby. Agutter. 11.00 Tonight. Lond People Mill. 1.45 Barnapy. 11.40 weather/neg 2.01 For Schools, Colleges. 3.15 . Atl. Regions as E Songs of Praise. 3.33 Regional at the following tim News for England (except Wales--1.45-2.00 p London). 3.55 Play School. 4.20 2.18-2.38 For School It's the Wolf. 4.25 Jackanory. Bobol Bach. 5.55-6.3 4.40. Playbouse. 5.05 John day. 6.50-7.20 Hed Craven's Newsround. 5.10 Blue News and Weather f

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5.40 News. 5.55 Nationwide (London and	Schools (Around Scotland), 5.55 6.20 pm Reporting Scotland, 11.40
South-East). 6.20 Nationwide.	News and Weather for Scotland.
6.50 Question of Sport.	Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-
7.20 The Rockford Files. 8.10 The White Tribe of	6.20 Scene Around Six. 11.40
Africa.	Ireland.
9.00 News. 9.25 The Monday Film: "Walk-	England-5.55-6.20 pm Look
about" starring Jenny	(Leeds, Manchester, Newcastle);
Agutter. 11.00 Tonight.	Midlands Today (Birmingham);
11.40 Weather/Regional News.	Points West (Bristo'); South To- day (Southampton); Spotlight
All, Regions as BBC-k except	South West (Plymouth).
at the following times: Walcs-1.45-2.00 pm Pili Pala.	BBC 2
2.18-2.38 For Schools. 4.40-5.05	10.30 am Multi-Racial Britain.
Bobol Bach. 5.55-6.20 Wales To- day. 6.50-7.20 Heddiw. 11.40	11.00 Play School.
News and Weather for Walee.	2.15 pm Let's Go. 2.30 The Craft of the Potter.
Scotland - 10.00-10.23 For	3.00 That's The Way The
PUZZLE No. 3,877	Money Goes. 3.30 Delia Smith's Cookery
5 6 t 17 1 18 1	Course.
	4.00 Modarn Language Teach- ing.
	5.35 News On 2 Headlines.
10	6.10 Charlie Chaplin in "The Champion."
	6.10 Animal World.
	7.00 The Water Margin. 7.45 In the Post.
12	8.10 Mid-Evening News. 8.15 The Marti Caine Show.
13	9.00 Monty Python's Flying
13	Circus.
	9.30 The Body In Question. 10.20 Arena.
	11.00 Telé-ournal. 11.25 Late News.
	11.40 Closedown (Reading).
	LONDON
19 20 21	LONDON
	9.30 am Schools Programmes. 12.00 The Wotsit From Whizz-
	Bang. 12.10 pm Sainbow. 12.30
	The Cedar Tree. 1.00 News plus FT Index. 1.20 Thames News.
	1.30 About Fritain. 2.00 After Plus. 3.20 Raffles. 4.20 Clapper-
	board. 4.45 The Paper Lads. 5.15
	Batman. 5.4S News.
	6.00 Thames At 6.
	6.35 Crossroads. 790 Ken Dodd Laughter Show.
lark (6)	7.30 Coronatinn Street.
2 Sneak in the bank (6)	······································
3 Formerly left to go abroad (6)	RADIO 1
4 Instructions show the way	5:00 am As Radio 2. 7.02 Osva Lee
to a Cornish saint (10)	Jurnstt. 2.00 pm Tony alackburn. 4.00
6 A school may be but not by the inmates (8)	(S) Stareophonic broadcast 5:00 am As Radio 2. 7.02 Oeva Lee Travis. 9:00 Simon Bates. 11.33 Paul Jurnatt. 2:00 pm Tony Blackburn. 4:00 Andy Peebles. 5:30 Newsbest. 5:45 Kid Jensen. 6:31 Stayn Alive. 7:30 As Radio 2. 10:02 Jehn Peel (S). 12:00- 2:02: As Redis 2.
7 Behold a system to ignore	As Radio 2. 10.02 Jehn Peel (S). 12.00- 2.02: As Redie 2.
(4, 4) 8 Chief man in rising town-	
ship is standing out (8)	Con and Marine Frances EM Could
3 Urge on the carpenter to	Allan (5). 7.32 Terry Wogen Including 27 Racing Bulletin and 8.45 Pause lor
have a snack (3, 2, 5) 5 Good man has the right	5.00 am News Summary. 3.20 Joint Alian (S), 7.32 Tarry Wogen Including 27 Racing Bulletin and 8.45 Pause for Theugh1 (S), 10.02 Jimmy Yaung (S), 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S), 2.30 Ray Mooro (S), 4.30 Waggoners' Walk.
point of view to suppress (8)	Muiray's Open House (S). 2.30 Ray Moom (S) 4.30 Wapponers' Walk.
6 is gaoler needed for the	Aus Sports Oesk. 4.47 John Ounn (S). 6.45 Sports Oesk. 7.02 Music from the Movies (S), 7.30 Alan Osli: 7.30 Tho Osnece Sand Days. 2.02 The Sig Sand Sound (S). 2.02 Humphray Lyttelion with The See of Jesu on Proords (S)
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impressive (8)	agund (S). a.02 Humphray Lyttelion
9 Island bome of Odysseus (6)	with The Been of Jezz on records (5). 9.55 Sports Osek, 10.02 The Mondey Movie Quie. 10.30 Star Sound. 11.02
O The Muse of Comedy and th' other things (6)	Shan Matthew infroduces Round Mid-
1 Call to the faithful from	night including 12.00 News. 2.00- 2.02 am News Summary.
Rome (6)	
The solution of last Sainrday's prize puzzle will be published	RADIO 3 6.55 am Weathar. 7.00 News. 7.05
with names of winners next	Overture (S). 9.00 News. 9.05 Morning
aturdsy.	Concert (S). 2.00 News. 9.05 This wask's Compessis: The Court al raderick the Great (9). 9.45 Tsiking About Music (S). 10.15 Alitten and Searte song recital (S). 11.05 Music for Harpsickord (S). 11.40 280
prize puzzle will be published	About Music (S). 10.15 alitten and Seate song recital (S). 11.05 Music
• -	for Harpsichord (S). 11.40 a9C

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Within the Law.

			"MIRACULOUS MUSICAL," FIR TI
otland). 5.55-	8.00 Feet First.	HTV	OLIVER With ROY HUDD. GILLIAN BURNS, MARGARET, BUR
cotland. 11.40	8.30 World In Action.	1.20 pm Report West Headlines, 1.25	GILLIAN BURNS, MARGARET, BUR
for Scotland	9.00 Danger UXB.	1.20 pm Report West Headlines. 1.25 Report Walas Headlines. 5.15 The	ROYAL SHAKESPEARE COMPAN
-3.53-3.55 pm News. 5.55-	10.00 News 10.30 The / Eamonn Andrews	Undersea Adventures of Captain Neme. S.20 Cressnoods. 0.00 Report West. 8.22 Report Weles. 10.35 The Menday Film: "The Lave Mechine."	ALOWYCH. 536,8404. Into, 536 5 ROYAL SHAKESPEARE COMPAN In repercipe f Low price perts, this work, thirt, to Tone 7.30 AS YOU LIKE (*
Six. 11.40	Show.	A.22 Report Weles. 10.35 The Menday Film: "The Lave Mechine."	AS YOU LIKE IT
for Northern	11.30 Rafferty.	HIV COMPLINATES AS HIV General	AS YOU LIKE (* "An evening of rare enchanchert" S. Tomor 7.00 Thee Wed 7.30 Middleton & Rowier's THE CHANGSLING With Bronson Howard's con SARATOGA (Thurs, FrE Sar ma RSC also at THE WAREHOUSE under W1,
	12.25 and Close: Oliver Maguire	Sarvice except 1.20-1.25 pm Panawdau lewyddian y Dydd. 2.00 Hemddan. 2.25-3.20 Alter Maan Plus. 0.00-6.22	Middleton & Rowley's
) pm Look	reads from the Bible with	2.25-3.20 Alten Nean Pius. 0.00-6.22	With Bronson Howard's com
Look North	a painting by Michel- angelo.	Y Oydd. C.30-9.00 Yr Wythnes. HTV West-As HTV General Service	RSC also at THE WAREHOUSE
Newcastle); Birmingham);	All IBA Regions as London	except: 1.20-1.30 pm Report Weet Head- linca. 6.22-7.00 Report West.	AMBASSADORS. CC. 01-830 1
); South To-	except at the following times:	inca. 0.22-7.00 heport west.	Evs. B.00, Tues. 2.45. Sat. 5.00, 8
): Spotlight		SCOTTISH	"A superb performance," FT.
uth).	ANGLIA	1.25 pm News and load and waather,	IN A NEW THRILLER
1	1.25 pm Anglie News, 2.00 Heuza-	5.15 Cartoon. 5.20 Crossloads. 6.00 Scatland Taday. 8.20 Crimedesk. 6.30	A Superb Berlormance." FT. GERALD FLJOD In A NEW THRILLER WYO KILLEN AGATHA CHRISTIG
4	party. 2.25 Menday Film Matines: "A Parch of Blue," S.15 University	Sele of the Century. 10.30 Late Call, 10.35 The Ostechves: Columbe.	APOLLO, CC. 01-437 2803. Evs. 8
cial Britain.	Patch ef Blua." S.15 University Challenge. 3.0 Abeul Anglia. 10.30 Featura Film: "Sarabas." 12.55 am	10.35 The Ostectives: Columbe.	Mats. Thurs. 3.00. Set. S.00 and B
	Reflaction.	SOUTHERN	APOLLO, CC. 01-437 2863, Evs. 8 Mats. Thurs. 3.00, Sut. S.00 and B PAUL DANEMAN, LANA MDRRI OENNIS PAMSDEN, SHORMEL MISPHARENO THINK OF ENGLAND THINK OF ENGLAND THINK OF ENGLAND YEAR, 'V VER, STATES AND THE SAME YEAR STATES AND THE SAME SAME SAME SAME YEAR SAME SAME SAME SAME SAME SAME SAME SAME
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	1_20 pm ATV Newsdesk, 5.15 Oh Nal	5.16 Sinbad Junier, 5.20 Cressnada, e.00 Oay by Oay, e.45 Oick Barton- Speciel Agent, 10.30 Seuthern News Extual, 10.35 Stal Tragment, 11.05	very minny, great, entertamment, N
h's Cookery	It's Selwyn Froggitt. 6.00 ATV Teday. 10.30 Lait, Right and Centre, 11.00 Out	Special Agent. 10.30 Southern News	ARTS THEATRE. 01-836 21 TOM STOPPARI'S
guage Teach-	People. 11.30 gainaby Jenea.	Extia. 10.35 Stai Treatment. 11.05 The New Avengele. 12.05 am Ferm	ARTS THEATRE. 01-836 21 TOM STOPPARDS URTY LINBN "Hilarious
guage reach	BORDER	Progress.	Men. to Thursdays 8.30. Friday Saturdays 7.00 and 9.15.
Headlines.			ASTORIA THEATER OF Charles C
lin in "The	11.20 pm Baider News. 2.00 House- oarty. 2.25 Matinee: "The Impossible Yeals" ataming Gavid Nivan. 5.15 University Challenge. 2.00 Lookaround	TYNE TEES 8.25 em The Geed Ward (sllowed by	ASTORIA THEATRE CC. Charing C Road. 734 4291-438 8031. MonTh 8.00 pm. Fri. and 541 8.00 and 8 8557 MUSICAL VIS THE YEAR EVENING STAN DIANO XWARO SECOND GREAT YEAR CONCOMPANY STATE
	Years" ataming Oavid Nivan. S.15	Nertit East News Haedlines. 1.20 pm	ELVIS
d. Iargin.	Monday, 6.20 Cartoon Time, 11.30	Narth East News and Loskersund, 2.25 Family, 3.20 Generation Scene, 3.35	EVENING STANDARD AWARD
uargin.	Monday, 6.20 Cartoon Time, 11.30 Pra-Celebrity Snaskai, 12.15 am Border	Family. 3.20 Generation Scena. 8.35 Cartono Time. 8.50 Lagare. S.10	Group bookings 01-437 3858.
News.	News Summary.	University Chetlange. 5.00 Northem Life. 11.30 Winners and Losers. 12.00	CAMBRIDGE. CC. 01-838 80
ine Show.	CHANNEL	colleQue.	CAMBRIDGE. CC. 01-838 80 Evgs. 8.00, Mats, Thers. and Sat. 3 TROUBADOUR
on's Flying	1.18 pm Channel Lunchtimo Naws and	ULSTER	A MUSICAL SINCE CAMELO A MUSICAL SINCE CAMELO Brenda Marsholl Capital Radia CREDIT CARLS WELCOME
Question.	What's an What 375 Mandau	1.20 pm Lunchlime. 2.25 Kaap Un	A MUSICAL SINCE "CAMELO Brenda Marshall Capital Radio.
Question	University Challenge. 8.00 Channel	With Yega. 2.55 The Friends of Men.	CREDIT CARIS WELCOME.
-	Matines: "They Call it Murder." 5.15 University Chellenge. 2.00 Channel Naws. 5.10 Spidermen. 10.28 Channel Late News. 10.32 Country Style. 11.00 Mendey Night Fasture Film: "The Whisperers." 12.45 am Channel	1.20 pm Lunchtime. 2.25 Kaep Ug With Yega. 2.55 The Friends of Men. 4.18 Ulster News Meedlinea. 5.15 Cartaon Time. 5.20 Cressroada. 8.00 Good Evening Ulstei. 10.30 Mendey Night. 10.40 Hawail Five-0. 11.35 Zad-	CRITERION. From 8.30 am. 030 32
	111.00 Mendey Night Faarure Film:	Good Evening Uister. 10.30 Mendey	8.00. Fri. and Set. 5.45 and 8.
Reading).	"The Whisperers." 12.45 am Channel Gazette followed by News and weather	UM8,	YEARS "Financial Times.
)N	in French.	WESTWARD	by Michael Hastings
	CDARMITANT	WESTWARD	CRITERION. From 8.30 am. 030 32 CC bkgs. 836 1071. Evs. Mon. to Th 8.00. Frl. and Set. 5.45 and 8. "THE MOST HILARIOUS PLAY F YEARS" Financial Times. GLOO JOO by Michaet Hastings Comic delirium as stroke after str of cavicash demolishes effician Officiae "ELISSFULLY FUNNY." Times.
Programmes. From Whizz-	GRAMPIAN	1.20 pm Wostward News Headlines. 2.25 Mondey Malinaa: "Thoy Cell II Muider." 5.16 University Challenge.	"GLISSFULLY FUNNY." TIMES.
inbow. 12.30	8.25 am First Thing. 1.20 pm Grampian News Hoadlines5.15	PULL WERTWALD UIZEV AND SORTIS URAK. I	DRURY LANE. CC. 01-836 8108. M to Sal. B.00. Mats. Wed. and Sat. 3. A CHORUS LINE
00 News plus	Investity Challenges 900 Comparing	10.28 Weatword Late News. 10.30 Country Style. 111.00 Manday Night Feature Film: "The Whiapersra"	" A Fare devastating loyous astorist
ames News.	Today. 8.05 The Electric Thestre Show. 10.30 Raflections. 10.35 Monday Film: "Licensed to Kill." 12.25 am Grompion	Feature Film: "The Whiapersra"	"A raro devastatine loyous attonist stunner," 5. Times. 3rd GREAT YE
2.00 After	"Licensed to Kill." 12.25 am Grampien	aterring Edith Evano and Eric Portman. 12.45 am Faith for Life. 12.50 West	DUCKESS. 636 8243. Mon. to The
4.20 Clapper- er Lads. 5.15	Late Night Heedlines.	Country wasther, shipping forecest.	OUCHESS. 636 6243. Mon. to Th. Evenings 8.00. Fr Sot. 5.30 and 2. "The nully is storning." Laing OH CALCUTA ! Ninth sensetional year.
	GRANADA	YORKSHIRE	Ninth sensational year.
	1.20 pm Oads, 2.25 Monday Methoat	1.20 pm Calandar Nawa. 2.25 Family,	OUKE OF YORK: CC. 01-836 51 Evenings 8:00 pm. Fri. & Sat. 5:30. 8 TOM FELCITY COURTENAY COURS KENDAL
	"Sax and the Martiad Weman." 5.10 What's New. 5.15 Crossreeds. 5.00	3.20 Haart is Heart, 3.50 Andy, 5.16	TOM FELICITY
ughter Show.	Granada Regoris, B.30 Happy Cavs,	University Challange, e.00 Celendar Emilay Moor end Belmant aditions].	CLOUDS CLOUDS
Street.	10.30 Reports Politics. 11.00 Mystery Mevia: McClaud.	10.30 Pro-Celebrity Snocker, 11.15 Tweet in the Tola.	" IS BLISS," Observer. " MICHAEL FRAYN'S FUNNIEST PLA
			Liany relegraph
	Northern Sumphony Archaeter (2)	Archers. 7.20 From Our Own Corres-	FORTUNE 235 2238, 8vs. 8.00. TH 2.00. Saturday 8.00 and 8.00. Murth Parlow as MISS MARPLE MURDER AT THE VICARAGE FOURTH GREAT YEAR
broadcast	Nerthern Symphony Orchestre (S). 1.00 pm News. 1.05 &&C Lunchtume	nondent. 7.45 The Manday Play (S).	Muriel Pavlow as MISS MARPLE MURDER AT THE VICABAGE
7.02 Oava Lee	Concert (S). 2.00 Music for Organ (S). 2.35 Matinee Musicale (S) 3.75 New	nondent. 7.45 The Menday Play (5). 9.16 Chine and Russis: Twe Reeds from Revolution. 5.30 Kaleidescope. 0.59	
88. 11.31 Paul Blackburn. 4.00	Racords (S). 5.15 8andetand (S). 5.45	Weether, 10.00 The Weeth C. 10.00 Weether, 10.00 The Weeth Tenight, 10.30 The Great Oivide, 11.00 A Book at Sections, 11.15 The Financial World Tenight, 11.30 Today in Parliament, 13.00 Minute	GARRICK. CC. 01-B36 4601, Evs. e (sharp). Wed. 3.00. Sat. 5.30 and 8. DENIS QUILLEY In IRA LEVIN'S New Turlier
ewsbeet. S.45	e.35 At Home: Toscanini Canducts.	at Sedtime. 11.15 The Financial World	DENIS QUILLEY IN IRA LEVIN
ewsbeet. 5.45 n' Alive. 7,30 Peel (5). 12.00-	7.30 EaU Concert Irom Brusele, part 1	Tenight, 11.30 Today in Parliament, 12.00 Nmea.	"THREE CHARGEATH THEO HOURS MARTING EXTENT THEO HOURS MARTING EXTEND THEO HOURS WERY INGENIOUS, VERY FUNK WERY EXTITING." Fin. THE
	Stephen Abrame : B,40 EaU Concert,		MANUAL THIS ENTERTAINMENT
	pert 2 (S), 9.30 Lord Oenning et 80.	BBC Radio London	VERY EXCITING." Fin. Times.
ry. 5.02 Oavid	1.00 pm News. 1.05 asC Lunchtims Cencert (S). 2.00 Music fer Organ (S). 2.35 Matines Musicale (S), 3.35 New Racords (S). 5.15 Sandetand (S), 5.45 Homeward Sound (S), 5.30 News. 6.35 At Home: Toscenini Cenducts. 7.30 EAU Concert Irom Srusele, part 1 B.20 Misunderatending Jung (by Stephen Abrame). 8.49 EAU Concert, pert 2 (S), 9.30 Lord Oenning et 80. 0.15 Becht Brandenburg Cencerto No. 2 (S). 11.00 A Time end a Place.	S.00 am As Radio 2. 6.30 Rush Hour.	
ogen including	11.30 Jazz is Britain (S). 11.55 News.	9.00 London Live. 12.03 pm Call In. 2.03 206 Shewcase. 4.03 Home Run.	CLOBE THEATRE CC. 01-437 15 EVS. 2.15. Wod. 3.00. Sal. S.00. A PAUL ECOINGTOR. JULIA MACKEN "ENJAMIN WHITROW Alan Awkhongh's hew comedy Ten TIMES TARKS
-8.45 Pause lor		6.10 Look, Step, Listen. 7.30 Black Londeners. 8.30 Areakthrough. 10.03	REN JAMIN Y'HITROW
my Yaung (S). alk. 12.30 Pete	RADIO 4	Londeners. 8.30 areakthrough. 10.03	TEN TIMES TARIE
(S). 2.30 Ray igonere' Walk.	6.0 em News Snefing. 6.10 Farming	Late Nigh1 London. 12.00 As Redie 2. 12.05 Question Time from the House of	"This must be the happiest laught maker in London." D. Tel. "An Irresist enjoyable evening." Sun Times.
John Ounn (S).	Week. 6.25 Shipping (orgcast. 6.30 Today: Magazine, including 5.45 Prayer	Commons. 1.05-Close: As Radio 2.	
Music from the Oall: 7.30 The	for the Oay, 7.00, 2.00 Teday's News.	London Broadcosting	GOLENWICH THEATRE. 01-658 77
The aig aand	7.30, 8.30 Nava Headlines, 7.45 Thaught fer the Cey. 8.35 The Weak on 4.	London Broadcasting 5.00 am Morning Music. 6.00 A.M.:	award-winning play DA by Hugh Leona
phray Lyttelion	8.45 Ray Gesling with the aaC Seund	naws, information, treval, aport, 10.00 (GOZENWICH THEATRE. 01-858 77 Evenings 8.00. Mat. Sats. 2.30. averd-winning play DA by Hugh Leona "It was a low to see." II. Tel. "En mously enloyable." E. News.
in records (S). 12 Tha Mondey	AICHIVES. S.W. NEW3. SUS Start THE	Brian Heyea Show, 1.00 pm LaC Reports. 3.00 George Gale. 4.00 LaC	HAYMARKET OLOTA
Sound. 11.02	Woek with Richard Beket. 10.00 News. 10.05 Wildlife. 10.30 Gally Service.	Magarta (continues), 8.00 Aftai Eight, I	MAYMARKET. 01-930 93 Evgs. 3.00. Wed. 2.30. Set. 4.30, e. Nigel PENELOPE KEITH
News. 2.00-	10.05 Wildlife. 10.30 Gally Service. 10.45 Maming Stary. 11.00 Palica-	S.00 Nightlina. 1.00 am Night Extra.	NIGEL CHAR
	News. 12.02 om You and Yours. 12.27	Capital Dedia	
• •	Ouoto Unquele (S). 12.55 Wasthan opportunitie nerve 1 00 The	Capital Radio 6.00 am Mike Smith's Breaktast Show	ANGHARAD REES and IAN OGILVY in THE MILLIDNAIRESS
00 News. 7.05	women. 11.45 Listen with Moihel, 12.00 News. 12.02 cm Yeu and Yours. 12.27 Ouoto . Unquele (5): 12.55 Washar, programme news. 1.00 The World ei One. 1.40 The Archers. 1.55	(5). 8.00 Michael Asoel (5). 12.00	SV BERNARU SHAW
. 9.05 Morning		Dave Cash (S). 3.00 pm Rober Scott 1	KING'S MEAD, 226 1916, Dar. 7. Show 8.37, THE ERPINGHAM CAMP
ws. 9.05 This The Court el	Warmen's Hour. 3.00 News. 3.05 Afternoon Theetre. 4.35 Story Time. 3.00 PM: News megazine. 5.50 Shig	(S)7.00 Londen Teday (S). 7.30 Adron Love's Ogan Line (S). 0.00 pm Nicky Home's Year Mathei Wouldn't Lika II (S). 11.00 Teny Myatt's Late Show (S). 710 and Party Myatt's Late	Joe Orton,
, 9,45 Telking	5.00 PM; News megazine. 5.50 Shig-	Nicky Home's Your Mether Wouldn't Like (1 (S), 11.00 Teor Myon's Jack	KINGS ROAD THEATRE, 01-252 74 Daily Mon. to Thurs. 0.00. Fri. and S
15 Aritten and 11.05 Music	ping ferecast. S.55 Weather; pro- oramme naws; 8.00 News, 6.30 Lord	Show (S). 2.00 em Peter Young's	KINGS ROAD THEATRE, 01-252 74 Daily Mon. to Thurs. 0.00, Fri. and 1 7.30 and 9.30. THE ROCKY HORROR SHOW

	A THOUSAND TIMES WELCOME IS	DICCADELLY From Bind and AND AND	ANGER
	A THOUSAND TIMES WELCOME IS LIONEL BART'S "MIRACULOUS MUSICAL," Fig. Times	Credit card bkos. 836 1071	VOINTE VIC. STUDIO.: - 928 5363.
	with ROY HUDD.	A NIGHT WITH	Proprie Weig Evs. 8 (Thur. 7). Phil. Woods.
	GILLIAN BURNS, MARGARET, BURTON	DAME EDNA	YOUNG YNC STUDIO. SZE 8363. Prim Wedgeys 8 (Thu 7) Phil Woods maprication, of SHERLOCK HOLMES & THE RUDLE OF THE ROYAL REGALLA
eadlines. 1.25 . S.15 The	ALOWYCH. 336 8404. Into, 836 5332. ROYAL SHAKESPEARE COMPANY In repersive Low price perts, this work, ton't, somor. AS YOU LIKE IT	PICCADILLY. From 8.30 am 437, 4506 Credit card blow. 838, 1071 Mon Fri. at 8.00 Sync. 5.5 and 8.75 A NrGHT WITH DANE EDNA and x handful of cobbers .Sarrier the sanowindly successful BARRY HUMPHENES BOOK NOW, ONLY 9 MORE, WEBCS	
Captain Neme,	In repersaire	BOOK NOW, ONLY 9 MORE WEEKS	
Raport West. 5 The Menday	Low price perfs, this week, ton L. tomor.	P"INCE SDWARD, CC. 01-337 3827 Evenings B.00. Mats. Thurs. Sol. 300 Evenings B.00. Mats. Thurs. Sol. 300 Sy The Rice and Andrew: Llove-Webber Directed by Hausid Prince 5	
	AS YOU LIKE IT	Evenings B:00. Mats. Thurs. Sat. 3.00.	CINEMAS
Pm Panawdau	"An evening of rare enclantment," S. Tel. Tomor 7.00 Then Wid 7.30 Middleton & Rowley's THE CHANGELING	by Tim. Rice and Andrew Lloyd-Webber	CINCIPAL CONCERNED
.00 Hemddan.	THE CHANGELDAG	BEINGT OF WALST OF BES PESS (SE 1)	MART 1: & 2. SHAFTESBURY AVE. , 334
e.00-6.22	With Bronson Howard's comedy	card bookings 030 0846, Mon. to Thurk	T SUPERMAN (A)
vinnos. Enersi Sarvice	With Bronson Howard's comedy SARATOGA (Thurs, Fr Sat mae) RSC also at THE WAREHOUSE (see under W).	ALAN AYCKBOJSN'S smash-bit comedy	DEATH ON THE NILE IAU
rt Weet Head-		P"INCZ OF WALES. 01-B30 8581. Credit. card bookings 030 0846. Mob. to Thurs. 8.03. Fri. and Sat. 8.00 and 645. ALAN AYCKEOJEN'S smash-bit comedy. BEDPOM FARCE It your don't levels are main of the	AME 1 4-2 SHAFTESBURY AVE 335 BOST-SEC PWIL ALL SEATS DKBLE I SUPERMAN (A). WE A SCOR 200 500.310. 2 DERTH ON THE NILE (A) WIL A SUN 2.00. 5.00, 8.00 (MMEL 3 GBPS).
Vest.	AMBASSADORS, CC. 01-336 1171. Evs. B.00, Tues. 2.45. Sat. S.00, B.00. JAMES BOLAN	The rest in the second state of the second sta	Thereise' in Ara' long Carnien's Town
	JAMES BOLAN	PHOENIX THEATRE, CC. 01-836 2294, Evs. 8.00. Wed. 3:00: Sat. 5:00 and 8:30. Olana PIGC. JOINN THAW HIGHT AND DAY.	Cantolen, PLAZA (opp., Canden, Tolla Tube), 948 2443. OShhori's shiftere on PASSION 10. Progs. 2.25, 530. 8.45; 0.16. 200 Week.
H	"A superb performance." FT. GERALO FLOOD	OIANA PIGG. JONN THAW	e.45: 0 16, 2nd Wetk
and waather, isloads, 6.00	IN A NEW THRILLER WNO KILLEN AGATHA CHRISTIS ?	A New Play by TOM STOPPARD	CLARENC
medesk. e.30	AGATHA CHRISTIS?	A New Play by TOM STOPPARO	Circus Tubel
.30 Late Call.	APOLLO. CC. 01-437 2863. Evs. 8.00.	QUEEN'S. CC. 01-734 1166. Har price.	CAPRICORN ONE (AL CONT. Tron: 12/45
	APOLLO, CC. 01-637 2863. Evs. 8.00. Mats. Thurs. 3.00. Sol. S.O. and 8.00. PAUL DANEMAN. LANA MURRIS. DENNIS PAMSDIAN. CARMEL MISHARRY SHUT YOUR EVES ANO THINK OF SINGLAND 2M WICKEDLY FUNNY YBAR. 'Vary.	QUEENS: CC. 01-734 1166. MAR. price. Press from Jr. 31. Opona feb. 6. by PETER TOWNSHOT and STHE WHO ALLAN LOWER PETER STREET, ANNA WICHOLS and SOG GRANT.	CLASSIC -1 - Z. S. Haymarket, Provide Chrous Tubet, Elliott Gould James Brollin, Tely, Savalas CAPRICORN ONE (A), Cont. from 12245. DR.
LN	CARMEL MCSHARRY	A ROCK M'SICAL with	CLASSIC 1, 2, 3, 4 Orland Street Com
. 2.00 Heuse-	TRINK OF INGLAND	ANNA NICHOLS and BOO GRANT.	U and A proge. Children half-price.
Larry Perke.	2nd WICKEELY FUNNY YEAR. "Vary. very funny. Oreat, entertainment." Now,	"AVMOND REVUEBAR, CC. 01-734 1503	Telly Savalas CAPRICORN ONE (A)
Dick Barton-		At 7.00. 9.00, 11.00 om Odes Sun.	Cost. from 12.45 pm.
suthern News	ARTS THEATRE. 01-836 2132.	THE FESTIVAL OF BROTICA	CLASSIC 1, 2, 3, 4 Ovford Street Voits Contreblam Coart, Rd. Tyleb, 8,36 GB)8 U and A propa. Chiefeb half-brice. 7, 2, 5 Blott Goodd James Robin. Cart, torin 12,45 Bl. Cart, torin 12,45 Bl. Cart, torin 12,45 Bl. 4: Clint, Eastwood EVENT WHICH Year Stort, EoSter (A). Progr. 120 255 5,50, 8.05
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.05 am Farm	Men. to Thursdays 8.30. Friday and	DENAL CONTRACT	CLASSIC, Laicetter Sigure, 130 0945. Elliott Gould, James Brolin, Tely Savalas CAPRICORN, ONE (A). Cost. from 1.00
	Saturdays 7.00 and 9.15,	MAR CALF. 8. Sats 3 and 8.30. MARY BARNES "An evening in the thesize as enter- "An evening in the thesize as enter-	CAPRICORN ONE (A). Cont. from 1.00
ES	ASTORIA THEATRE. CC. Charing Cross Road, 734 4291-438 8031, MonThurs.	by David Edgar	
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es. 1.20 pm eround, 2.25	BEST MUSICAL OF THE YEAR	TOYALTY. CC. 01-405 8004.	Bes 7.00 (not Son) 4.05
Scena. a.35	ASTORIA THEATRE. CC. Charing Cross Road. 734 4291-438 8031. MonThura. 8.00 pm. Fri. and Sat. 8.00 and 8.45. SEST MUSICAL OF THE YEAR EVENING STANILARD AWARD SECOND GREAT YEAR. Group bookings D1-437 3858.	"NYALTY. CC. 01-605 A004." Mondar-Thursdaw evenings. 8 00. Friday. 5.30 and R.45.52 artity 3.00 and 8:00. "RUBELING BOOMAN SUGAR NOW IN 115 2ND GYEAT. YEAR- Book by Fel. for the splite family. Basy. markings.	
acaie. S.1e 5.00 Northern	Group bookings 01-437 3858.	NOW IN ITS IND CREAT VILL	THE FIRST GREAT TRACH ROUTERY
Losers. 12.00	CAMBRIDGE. CC. 01-538 8058. Evgs. 6.00, Mats, Thers. and Sat. 3.00. TROUBADOUR	Book by Tel. for the entire family. Basy	AA. Progs. com, wit and Sils. 77,50.
	TROUBADOUR	warkingt	LEICESTAR SQUARE THEATRE (DIS SORD) THE LEIRST GREAT TRAIN ROBERRY (AA) Prost, CON, VK ANG SID, 1,50, 5.00, 8.20, Sonts biths at. Box Office or by post for 7.20 cross Monters 4, all gross Set 5 Set, 30 cross Monters 4, all
	THE BEST BRITISH PRODUCTION OF	OY THEATTE 01-F36 8888. Credit Croit 01-774 4772. TOP CONT ACTOR OF THE YEAR Wet End Therro Awand In FLAY IDF THE YEAR WILL THE THE YEAR WILL THE THE YEAR WILL THE THE YEAR MULTING TO SET TO ANY THE THE WILL THE THE THE YEAR MULTING TO SET TO ANY THE THE MULTING TO SET TO ANY THE THE MULTING TO SET TO ANY THE THE MULTING TO SET TO ANY THE THE THE MULTING TO SET TO ANY THE THE THE THE MULTING TO SET TO ANY THE THE THE THE THE	the set of the set of the set of the set of the
25 Kaep Uo	THE BEST BRITISH PRODUCTION OF A MUSICAL SINCE "CAMELOT," Brenda Marshafi Capital Radio. CREDIT CARIES WELCOME.	ACTOR OF THE YEAR	ODBON HAYMANRET (958 2/35 271) MIDNIGHT EXWRESS (2) Sen. proga Div 2.30 5.30, 8.30, pm All sense bkbie, Last 3 days
ende ef Men.	CREDIT CARIS WELCOME.	West End Thertre Award in	Div 2.30, 5.30, 8.30 pm- All, Serts
llinea. 5.1S sroada. B.00	CRITERION. From 8.30 am. 030 3216.	WHAT I'VE IT ANYWARY	PROVIDE NOTICE TO LARST - BTO . 8111.
0.30 Manday	8.00. Fri. and Set. 5.45 and 8.30.	way you to san it." G . Services P.On	FORCE 10 FTOM NAVANONE (A).
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_	GLOO JOO	Eves. at 8. Mats. Sats 3.30. This Feb 24.	ODEDN. MARREE ARCH. 723 2011-21. FORCE 10 FROM MAVARONE (A). Son. proge. div. doors open 1.30, 4.26. 7.45
2D	Comic delirium as stroke after stroke	- LE GRAND MARIC CITCUS From Paris in 1.001 NUTURE	FORCE 10 FROM NAVARONE (A).
vs Headlines. They Cell II	Comic delirium as stroke after stroke of chutzpah demolished eritish Officiation "BLISSFULLY FUNNY." Times.		
ry Chailenge,		"Kept me laughing fairly steadily with its boundless down, invention," F. The. Students 51.00. Mats half price.	PRIMICE CHARLES, Leic. 50, 337 STOT. Watarian - Renewrit's, The SEAST London X, Sea, Derts, dir Oric, SUB.) 1, 10, 5,58, 6,35, Leite show Firt, and Sat. 11,15, Lit'd bar.
Sgarts Cask. ews. 10.30	DRURY LANE. CC. 01-836 8108. Mon. to Sal. B.00. Mats. Wed. and Sat. 3.00. A CHORUS LINE	Students £1.00. Mats balf price.	London X Sep. perts. dir. Onc. Son.) 1.10.
Aendey Night	"A rare devastatine loyous attorishing stunner." 5. Times. 3rd GREAT YEAR.	TPAND. 81-835 2560. EV-sings 8.00.	5.58, 8.35. Late show Fr. and Sat.
Whiapersra" Eric Portman.		MAL THERE 3.00. SALE A.00. Mat. There: 3.00. SALE 5.30 and 8.30 NO SALE ALC A. SALE A.	
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The Warp by MICHAEL COVENEY

First a few fact. I entered pattern is one of confession and the ICLS at 10.15 am last Thurs- reply, with an endless stream day. The Warp, a cycle of ien of extraordinary characters plays by the poet and painter appearing in put-Phil-right. Neil Orom, began at 10.45 and take him on to meet somebody After 184 hours of theatre, two else or just haul him into bed. one hour meal breaks and a half. There can be no conclusion for hour beer and coffee interval Phil is the sort of person who hour beer and coffee interval Phil is the sort of person who at 2.35 am. I proceeded from the can never reach one himself. ICA (to the Tube station at He goes through a lot, amassing 8 am on Friday morning: I was experience on his travels, with tired but elated. One lighting women, in his interest in UFOs. cue went awry at 6.55 pm; At one point he becomes a Russell Denton as the hero, paranoid schizophrenic, unable Phil Masters, took his one and to escape from himself and Phil Masters, took bis one and only prompt at 9 pm in the course of an astonishing per-formance which kept him before us for all but five minutes of the duration; a chair came apart in Phil's hand at 1.20. am and a telephone rang on the wrong set at 6.35 a.m. I was present in

the theatre for every single word of the production. A company of about 40 actors and musicians play over 200. characters. There are ten acting platforms around a large pit of peat. The audience is mobile, squatting on benches and inhabiting vacant stages and inhabiting vacant stages while the production team shifts, scenery and properties around them. On high, a small rock, band accompany, the extra-ordinary saga throughout. After a prelude in 15th century Bavaria, Phil begins his quest for the truth and self-knowledge in a Torquay woodshed with a luszious, naked nympho-maniac. The year is 1957 and, after an interlude in South Africa, he fetches np in the Africa: he retries np m the into the fire. eccentric: Dohemian world of Half-way through the cycle, Maggie Jordan, Pat Donovan, Sam Widges: a Soho cafe the whole saga takes in the John Joyce, Maria Moustaka where his developing enthu-slasms for poetry and jazz find best described as "The Acid startling release in an im archers." Writing and costumes yesterday and runs for the last provised tession

provised session. Up to this point, the actors progress in clockwise fashion from one set to another, establishing the narrative quality of the exercise before exploding all over the place. As the lights change, we find ourselves travelling from one part of the theatre to another. Phil dabbles with scientology in. dabbles with scientology in the scientology movement as order to combat his "feeling another powerful element in of loss and present time prob-the global conspiracy game. lem" and the second play Because the show is so long opens with a brilliant half-hour and so large, and because it has audifug Session in which our heen directed by that upparal-hero is compelled to dredge up lelled magician of iterative childhood memories. Immedi- theatre, Ken Campbell, it is audifing session in which our heen directed by that unparal-hero is compelled to dredge up lelled magician of aternative childhood memories. Immedi-theatre, Ken Campbell, it is ately afterwards, he receives replete with amazing interIndes his first warning about scien-tology from a nuble free-lover. Is Billy McGuinness, the orator The autobiographical nature of tramp who claims to be God the piece is emphasized when and has returned to earth in Mr. Oram, in a marvellous bit order to pick up his long over-of alienation theatre, appears himself to -recount how he David, a figure who exists, as someoled some done through a somebody sald, somewhere besmuggled some dope through a Paris paralysed by political demonstrations.

goes on, you bein to realise urgent mission only for cups of the exhibition: the Sleeping that much of it is a pretty sar tee and raw onlons; there is the Beauty is modelled on Madame castic, lament for the hippie hapless acid, freak who, in the du Barry, the mistress of Louis culture of the 1960s. The basic show's most hilarious episode, XV,

pattern is one of confession and strangely grateful that his wife finds happiness with his own best friend. He becomes a "magician of love," conducting for Phil.

attack on complacency while arguing that there is no point arguing that there is no point to a hippie lifestyle unless it "alters the psyche of the nmi-verse." The attempt, naturally, fails and, after attending a flying saucer conference in ire-land and encountering UFOs in the Brontes' Howarth par-sonage, he sets of to Loch Ness to metart up a centre where to start up a centre where "people can give birth to them-selves." The location is allegedly haunted by Aleister Crowley, and dark forces throw both his personal and ideological ambitions into confusion. Rächel supplants Meg. in his affectiona and that proves to able to step from the frying pan into the fire.

convey exactly the tone of the period, with characters giving out love and generosity with the right hand while clawing destructively at each other with the left. Rachel oscillates violently between her upper-class background and Phil, aventually landing up in a lunatic asylnm and leaving Phil to contemplate

somebody said, somewhere be-tween the worlds of Pinter and Gogol, bearing messages from As the show builds up and Orion and interrupting his

disrupts a cafe by anorting backed heans and excreting sausages; there is the mystic greengrocer who serves customers in gohbledegook, but holds forth on UFOs with exact lucidity; there is the Bhagwan Raineesh in India, whose tranquil instructions are vigorously rejected hy Phil; there are knockabout Turkish policemen, comic Chinese officials, Buck-minster Fuller, clowna and fireeaters, military art enthuslasts, a raging landlord (" I don't have any friends; just different classes of enemy") and a Jack Douglas-style postman who popa up everywhere with had news

When you consider that the whole project has been horn of five months' work and four weeks' rehearsal, the actual achievement becomes ever more remarkable. As in his previous epic for the Science Fiction Theatre of Liverpool, Illuminatus! which lasted a mere eight hours, Ken Campbell has joyously melded ele ments of music hall, science fiction, story-telling, sex and adventure, in a piece of theatre that those who are lucky or hrave enough to see it will never forget. It makes the rest of our so-called experimental theatre look positively wan.

The production manager Is Tim Albery, the musical direc-tor Camilla Saunders. The cast includes, memorahly, Jim Broadbent, Steve Williams, Broadbent, Steve Willlams, Jolia Cappleman, David Hatton, Bill Nigby, Mitch Daviea,

Bullet, The Rite of Spring-was time next Saturday. Before then, you can see it in two continuing testimony to the truth of this observation. Fircbird fades choreographichalves on Tuesday and Wednesday and again on Thursday and Friday. Hurry: the world may moved so far away from Fokine's original, and I suspect, soon divide into those who have been through The Worp and that the text now offered by the those who bave not.

Tableaux at Tussauds

Madame Tussauds is reviving graphic small-talk. (Interesting, though, to see MacMillan repeatthe tahleau, a popular feature of the exhibition in Victorian ing Fokine's Idea of a line of times. A set of nine tableaux, dencers collapsing in sequence when Kastchey first appcars by showing Rite's tribe of aborigi-nals falling backwards in a designed by Julian Trevelyan Oman, opened 12.5 week in a new display ball. The subjects include old favourites of Tussauds, such as the Execution of Mary, Queen of Scots and When did you last see your serpentine shape across the stage.) What bolds our attention now in Firebird are the luscious sonorities, the imaginative theatrical force of the score. father?

All the figures were designed with great attention to historical which we transfer from ear to eye, imbuing the boringly lit detail, and include a wax cast taken from the oldest work in and stiffly played stage action with the fairz-tale glow of the music itself. That the score was on Friday performed as if it were Minkus at his most leaden

..... Monica Mason in 'The Rite of Spring **Covent Garden**

Stravinsky ballets

by **CLEMENT** CRISP

"Stravinsky's music persist- Because the choreography has cutly lives in our theatre a geometric inevitability (when hecause the theatre is so alive in his music." Thus the distinhe had finished creatiog a section, Ashton used to say: "Well: Q.E.D.") the dance incidents guished critic Minna Lederman work themselves out with beaupinpointed an essential fact tiful economy. In other hands the invention in Scènes rould about Stravinsky in a celebratory symposium some 30 years ago. The triple hill which the he puffed out to fill an evening, Royal Ballet showed us on Fri-day night—Firebird, Scenes de and its effects then would be less rather than more.

ings is no longer possible. The inspired use of Sidney Nolan as Scènes also has the most decorator-a reminder of the imaginative opening of any halgood old days when the Royal let I know: the diagonal of five Ballet knew that artists rather ally after the encounter of Ivan men spaced across the stage with the magic bird. We have establishes a tone of poetic moved so far away from grandeur that is a fiash of than specialist "stage de-signers" could bring something of value to the theatre-and choreographic genius. Each in-MacMillan's skill in delocalising cident thereafter seems a haiku th eaction without distorting the whose brevity results from Royal Ballet rio Grigoriev and score, make for a work of cumuacute perceptions about the beart of things halletic. Not Chernichova extends the dist-ance, that the manipulation of lative power. Kastchey's hordes and the sweet too fancifully one can see whole passages from Beauty, the cas-cading eotries of Paquita, the evolutions of the princesses seem little. more, than choreo-Lydian ballahile, perbaps, from Le Roi Candaule, or variations from Kalkobrino or Les Soisons, long since lost, but hinted, evoked, by a single inspired brush-stroke of dancing.

> Yet Scènes is not just an exercise in distillation. It exists more importantly as a glorious response to Stravinsky's musical text, fixing its formal devices and its orchestral qualities in dances that seem forever fresh, stimulating, astounding. Fri-day's performance, led by Jen-nifer Penney and Michael Coleman, was attractive without scaling any heights - and I feel that Scènes must attempt just that. Penney, so easy and naturally gifted in movement,

The Marriage of Figaro by DAVID MURRAY

11

ment, though both the new Conntess, Eiddwen Harrhy, and

the wind section aounded tried hy the stately pace of "Porgi amor." Miss Harrhy rose more

confidently to "Dove sono," or rather sat and rose again-she

does not now deliver it entirely

from her armchair, hut only touches down arbitrarily in mid-

song. The quantity of aitting in Jonathan Miller's production has been widely remarked, and

dramatic pace could do wonders

Though the English National arias enjoy more orthodox treat-Opera'a new Figaro has now seen extensive cast changea, the general effect seems-as far aa one may judge from the initial reviews—much the same. The Susana and Cheruhino of Lillian Watson and Sally Burgess remain the most fully and attractively realised characters; attractively realised characters; Miss Watson's "Deh vieni" is as lyrically charming as her Figaro's amorous pleading, minutes later, is heavy and graceless — John Tomlinson's large, pleasant voice is still very plaining wood Dannie Widter

Coliseum

two to every Italian one. The new ronductor is David Sutton, hut he has surely inherited his tempi from Sir Charles Groves-it is statistically improbable that an opera house abould have two conductors who helieve, independently that Figaro should go as slowly as this. The overture raced too bard for the comfort of the orchestra, hut thereafter the recitatives wera unconscionably dragged out and the ensembles least it elapsea in handsome. sadly lacked brio-with the resourcefully lit settings. A sextet one might almost have thought that Mozart had made heavy weather of hte jokes. The generous injection of musicofor it.

> 1001 Nights by B. A. YOUNG

"I've got work to do," said all that bappens. The tales the lady with the black lipstick, take many unexpected twists; dusting my hair and climbing Sheherazade. for instance, has across the orchestra pit to the stage. Le Grand Magic Circus is one of those companies that inhabits a theatre before the show hegins.

once the gold phallic tree Jerome Savary, writer and appears and Monica Mason is director of this version of the chosen as the sacrificial maiden classic tales, is a serious artist. wbo chooses to present his the ballet takes fire. Mason rewho chooses to present his for himself. There is a good ideas through the medium of deal of political reference (the turned to her created role on Friday. In energy, musicality, the circus because in France and a dramatic intensity that the circus is still a-llving tradition capable of presenting ideas simply and forcefully. His hurns through her white-painted face, and speaks in every leap and pose of her body, she gives knockabout productions are the an utterly commanding, sensaequivalent of Brecht's plays tional performance. It has not where songs and banners are interpolated to ensure that even the least literate andiences of conrse. been filmed for posterity, so future generations will have to accept the fact that will catch on. In 1001 Nights it, is one of the most extrahe gives us some of his message Interpretations in with only a light disguise; Aladdin, who bas lost every-thing and become no more than British hallet in 20 years, and wonder why we were so foolish and graceless as not to honour a penniless foreigner in a it with permanent record. In strange city, criea out for more filmed performance future belief in fantasy (the spirit of

brought her book of stories with her to the Sultan's bedchamber, hut a lapse of memory compels. her to consult it. The Sultan naturally takes it from ber, and having sent ber to join all the previous wives in the abattoir." be settles down to read them dialogue and lyrics are partly in French though mostly in English, occasionally in Spanish or German). The roc is the familiar eagle of the United States; and quickies about such; topical events as rail-strikes litter the speeches.

Scenery and costumes by Michel Lebois and Michel Dussarrat respectively, are lavish, even if they do seem to belong in the circus-ring more than the theatre. There is a splendid camel. Oo a larger scale, there is New York, one

•

demic exactitude? The peasant boys in the Kirov Giselle lat terly in Paris all perform such steps with clarity, landing in tight, unfidgetty fifth positions. Rite of Spring, in MacMillan's version, is a no less intelligent Shaftesbury and aware response to Stra vinsky's inner theatre. The ancient ritual of its first stag-

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most of what movement there is is singularly tame; a dearth of comic urgency prevaila throughplainly used. Dennis Wicks' Bartolo is ripe with cur-mudgeonly distaste; his rapid patetr is hohhled by all those consonants in the Dent words, out Peter Knapp is a competent. Count, with a touch of the John Cleeses, hut some things in the role lie outside his range: menace, ardour — his glazed, repetitions of "O joy past all expressing !" were eerie—and. the lower notes. Angela Bostock makea a dignified, sharp-eyed Marcellina, not ouite easy with her aria yet: Terry Jenkins' Basilio has taken the measure of bis, and makes a positive contribution whenever he appears. All in all it is a respectable cast, and if this is a hland, slow-motion Figuro at



Russell Denton and Tony Maples

SPORT

RUGBY UNION BY PETER ROBBINS

Wales seize last-minute victory

IF ALL the matches of this year's international champion ship are as gripping as Scot-land's against Wales, then we are in for a season of enjoyable in suspense. It is often said that rugby is for the players to enjoy, and that second. The most satisfying the spectators finish a poor feature of the match on Satur-day was that both factions manaked simulfaneously to a leading the spectators finish a poor

Weish who won 19-15, while a worky a worky -Holmes scoring the winning try, flank. Holmes to by Fenwick, five Rutherford looks a real find

balance, I think McGeechan was McGeechan and Irvine was right to play downwind from remarkable. the start even though Wales It was Irvine who epitomised scored a penalty in the first Scotland's running policy with minute. It is difficult to concede that counter-attacks, made possible Scotland failed to win a single and more frequent by some poor match last season, so well did clearance kicks from the Welsh they play in the first half. three quarters. The principal reason for this Wales had no one of Irvine's The principal reason for this

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the spectators finish a poor feature of the match on Satur-day was that both factions managed simultaneously to en-joy themselves. The final bliss belonged to the Weish who won 19-13, with a worrying time on the Weish defence from Biggar-who has never played better-and Deans and Hay. Tha Welsh forwards could never develop that massive surge, and so Holmes and

Davies were quite unable to regulate the tempo of the game, as is customary with Welsh ninutes from time. It is debatable whether to assembly of greatness opposite play with the advantage of the him. He has a quick, economic elements in the first half. On pass and his understanding with balance, I think McGeechan was McGeechan and Irvine was half-backs. Irvine's hrilliant try, following his two penalties, gave Scotland a lead of 10-3, and Wales faced

their most difficult period Ireland's 9 draw with France, towards half-time. Another following their competent dis-Scottish score would have been play against New Zealand, indiruinous for them but Lambie cates more than a temporary gave away a penalty which Fen- revival.

wick converted. Irvine kicked a third penalty atomed for last year's despairing "Wales had no one of Irvine's and half-time came not a performances.

ms further tribute to Straviu-

hird's mystery—not ? swan prin-cess in orange feathers, but a magical being—and her clear tining decorator's caprice.) But line,a moment of boldly unafraid grandeur when confronting Kastchey, were admirable. her pure Vaganova classicism But we still need to see far would epitomise and illuminate more soaring leaps at her first entry so that the bird flashes high through the garden; an unidentifiable flying object to bedazzle the prince, rather than a talented danseuse launched into one of the most taxing of roles.

I. love Ashton's Scènes de Festival Hall Bullet, as I love the score, for its conciseness, its elegance, the way in which the extravagant paraphernalia of the 19th century hollet n grand speciacle is suggested in a few bars, a few

Rugby has its causes and effects, and given that extra liherty, Holmes began to run and rediscovered his accuracy

of passing. The wind, such a close ally in the first-half, became an implacable foe, and

opportunity. Wales look favourites to win

the crown again, although Ireland's 9-9 draw with France,

Brave Scotland bave already

sky. The Flrehird of the evening was Alfreda Thorogood, making moval of the black neck-band moval of the black neck-band she wears would help integrate rewarding choreography. tining decorator's caprice.) But I would like to see Irina Kolpakova in the role wherein the rigour implicit in Ashton's dances. The corps of girls was

serving important nerformances excellent: the male quartet, incarnation of Tetley's hero-talented young dancers, fudged and Tetley's own most illuminat-double tours en l'oir zealously. ing commentary-are saved for Does no one care about acathe future. Hurrah.

ordinary

a

escellent version of Pierrot Lunoire shown by the BBC 2 television on Saturday night. Christonher Broce'a marvellous

ould also be

The first scene is a prelude:

Peter Pan perhaps haunting the theatre still—" Clap your hands if you believe in genies! "), and conjured up for bim by the genie There is even the Eiffel Tower. But time and again we admire the musical responsive-ness and dedication of preparation brought by the corps de justice is represented as unjust ballet to this complex and return to the little Paris street and cruel.

As it happens, I found this where we began, hauling us part of the evening too senti-mental for me. But the rest of world of wonder and imagina-But lest this matter of preit kept me laughing fairly tlon to the harsb realities of our seem too dispiriting, let me it kept me laughing fairly solute Colin Nears' entirely steadily with its boundless own time. novel invention. In the first half we see some of the adven-I must apologise to Mr. Erik tures of Sinhad the Sallor (now Brogger, who is not after all

a wealthy Parisian, but given the pen-name of the director to flashhacks), and in the and players of The Poranormal second, the tale of Ali Baha and Review, but a real person and ". the Forty Thieves. the only begetter of that Hopeless to try and recount enchanting show.

London Choral Society

so stylishly brief a form — in- day night's concert by the spired, so it seems to me, in London Choral Society. But hoth composer and choreo-grapher by deep love and no evening, Tippett's Child of our Brahms is hy far the simpler may seem too sharply etched in her unuaually pure, cool descant less deep understanding — Time. is concerned with man's and shorter work of the two, yet hlack and white to he quite to the choir's "Steal away." makes for Ashton's finest ballet. inhumanity, to man, and his it poses great problema of con- comfortable. But in Saturday's NICHOLAS KENYON

NICHOLAS KENYON

SOCCER BY TREYOR BALLEY

Second Division promotion battle

where the overall standard has and Hove Albion, now occup- a considerable -asset should holders, and thare are not dropped noticeably, the Second ing the second and third posi- they achieve their ambltion sufficient to satisfy the require-Division contains a remarkable tions in the table, fought a and join the elite next season. number of teams which have full - blooded, indifferently sides still interested in the out-

come. One important reason for this is that the Second Division has the pick of most of the best young managers in the country-men whose playing careers have anded recently, and many of whom have been

it was Davies's turn to use it hebind the machine-like pack. It was only a question of time Stoke and Veoahles of Crystal before Wales took their winning Palace are three examples. They are the new hreed of

fessions.

maoager-articulate, intelliproduce success if they are to attack.

UNLIKE the First Division, Saturday, Stoke and Brighton foothall they play would prove taken up hy season ticket. The directors of Brighton, a team which has never reached the First Division, and to whom the Second constitutes something of a novelty, have wisely decided that amenities at their The conditions suited the ground have to be improved so that they may attract support on

visitors better than Brighton, who lost much of their pleasing the scale needed to survive if style and rhythm in the mud, they are promoted. especially after the interval As a result, their Board is about to embark on an ambiwhen the surface was churned

tious huilding scheme, costing over film. It will double the One gained the impression that some of their passes and moves were too ambitious for seating capacity, increase the covered area, and introduce the circumstances. It was noticeable at the other end that that new money-spinner, company boxes. the high ball directed at Stoke's

tall, powerfully-built centre-forward, O'Callaghan, caused gent, trendy and ambitious - more defensive problems than who know that they have to more sophisticated methods of

claw their way to the top of what must be about the most insecure of all highly-paid pro-with bis team's performance, comparatively small, castle, are also pressing Although Brighton's manager. and their failure to adapt, the At the Goldstone ground on imaginative and entertaining sbortage of seating. Most are turn.

ments of supporters from hig visiting clubs, who expect comfort and are prepared to pay for it.

It is too early to say whether the Albion will celebrate the completion of their ground improvements in the First Division; hut they must stand . a good chance. Even more important, if they make the hreakthrough, they have the talent to survive.

Stoke were relegated after 14 consecutive years in the First Division, and their talented side, which won the League Cup in 1972, was aold. Now in their second their second season of Second Division football, their new One of Brighton's problems manager, Alan Durban, could

is that while they have been regularly drawiog home gates in excess of 20,000 — very good for the Second Division — their ing at the top of the Second, it overall match receipts, despite would be well to remember that castle, are also pressing The reason has been the strongly for an immediate re-

improved or are still improving. A fascinating struggle for promotion has already de-veloped, with no fewer than 11 duet of defensive error.

UD. outstanding club captains. Mullery of Brighton, Durban of



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Monday January 22 1979

Strikes and the law

THE SUDDEN outbreak of new powers for the Gove strikes in the past few weeks ment to compel a continuar can be regarded as the con- of work in situations whe sequence of two events-the national end of three years of a fairly a national emergency rigid incomes policy and the change of leadership in the have argued that U.S. expe country's largest union, tha ence with the Taft-Hartley a Transport and General Workers. is not encouraging and that If that explanation is correct, any case the Government h the present industrial crisis is adequate powers to interven not the ideal time in which to Neverthaless, the ease w he considering long-term which unexpected groups changes in the role of the trade workers can create natio he unions and in the collective hargaining system. Yet the impact of the strikes

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on the public, however shortlived they prove to be, is such that either the present Governago that the Labour Govern-ment introduced its white Paper, "In place of strife," partly in response to a number of crippling unofficial atrikes in the motor industry.

Great damage

In the ensuing decade several things have happened. First, groups of employees have shown an increasing readiness to pursue their demands for a relative improvement in earnings in ways which cause considerable disruption to the community. The use of industrial muscle hy the miners in 1972 and 1974 has proved infectious and the number of groups which are able to inflict great damage on the economy has grown; in several cases the action has been initiated not by national union officials, but by local leaders.

Second, the methods used to make the action effective, especially picketing, have he-come more aggressive. Third, the improvement lo plant-level industrial relations which tha Donovan Commission called for in 1968, mainly through more cffective grievance procedures, has not materialised, Wildcat strikes and other forms of unconstitutional hehavlour are just as common as hefore. The TUC and individual trade TUC and individual trade unions have shown neither the will nor the ability to deal with the problem. In the meantime damaging inter-union rivalry

continues. It is arguable that public dis-relations problems will be quiet over these developments solved by the introduction of —and trade unions' awareness the law or by curbs on national of It-is such that new legisla- trade unions, whose leadership tion stands a better chance of seems increasingly irrelevant to

emergency

threatened. Donovan and othe workers can create nation emergencies suggests that th possibility must he looked again, perhaps in conjunction with new forms of pay determination in the sectors co cerned.

should be weakened by the pa ment of tax-free henefits strikers by the Governmen But even if Mrs. Margan Thatcher's suggestions on th

point prove practical, they w not effect the short unconstit tional stoppage. In any car other forms of sanction such the go-slow or work-to-rule c often he more damaging that a strike. So the familiar que tion returns-can workers forced to stick to procedu through legally hinding agre ments?

Donovan, reflecting the view of most industrial relation practitioners, believed that the introduction of the law would not lead to more orderly collec-tive hargaining. It is certainly difficult to, see how legally binding agreements - or anything else for that matter-could transform our poorly staffed and decentralised unions

into disciplined industrial unions on the American or German model. Yet the Donovan Commission did say Yet the that if its proposed reforms did not reduce the number of unofficial strikes, the case for glving some legal support to procure agreements would have to be reconsidered; these would generally he in-plant or incompany agreements.

Unrealistic

. It would be unrealistic to later this month, has seen Tokyo move up rapidly from the Joth most expensive city to the most expensive from the businessman's point of view.

The survey sbows that to stay in Peking -which is likely to be

A guide to businessmen's costs around the world

BY FINANCIAL TIMES CORRESPONDENTS

HOW PRICES COMPARE IN STERLING

Tokyo Paris	Yen 370.625 ·			Dinner	Wine	Whisky	Beer	Snack	Taxi	City	Exchange lades			Wine:	Whisky		Soack	Tao
		133	41.01	26.98	8.09	2.70	1.48	6.75	2.70	Athens	Drachma 72.382 66	32.12	5.18	0.69	0.83	0.48	1.18	. 0.3
	Fr.8.4675	132	56.10	14.17	2.95	2.01	1,53	. 2.95	2.36	New Deihi	LRupee 16.28 65	23:34	3.07	11.06	1.23	1.11	1.23	0.4
Dubai	UAE Dirham 7.55	120	49.54	13.25	7,28	1,32	1.06	3.97	1.32	Tel Aviv	Israeli £36.89 64	- 27,76	8.13	1.72	0,84		1.22	1-
Brussels	B.Fr.58.05	118	42.98	14.30	7.75	2.07	1.46	4.30	2.41	Algiers	A.Dinar 7.531 64	22.04	- 797	3,98	2.66	1.06	1.99	1.3
Abu Dhabi	UAE Dirham 7.55	116	47.68	11.92	6.62	1.06	1.06	3.05	0.93	Budapest	Forint 36.33 (tourist) 64	26.97	3.03	1.38	2.20	0.83	0.83	1.
Frankfurt	DM3.7075	116	43.A3	12.14	5.39	1_35	1.08	4.05	4.05	Dublin	£ 63	27,00	8.00	2.25	0.40	0.4Z	1.50	.1.3
tanama (Bahr'n)	Bahrn. Dinar 0.755	110	48.34	9.93	3.97	1.14	0.79	3.97	1.32	Singapore	5\$4.28 62	25.00	7.01	4.57	1.05	. 0.47		0.7
Copenhagen	D.Kr.10.27	109	43.21	13.25	4.77	1.17	1.36	3,89	2.92	Warsaw .	Zloty 62.23 (tourist) 62	26.95	3.21	5.62	0.90	0.39	1.12	0.3
Geneva	5w.Fr.3.20	103	40.62	9.37	2.81	3.13	0,94	3.75	3.13	Panama "	Balboa T.967 61-	23.89	5.08	4.07	1.01	0.63	1.01	2.0
eddah	Saudi Ryal 6.51	102	43.62	13.82	0.77	0.77	0.77	4.61	0.37	jakarta	Rupiah 816.305 60	23.16	8.90	4.07	1.19	0.87	1.02	1.0
ondon	1	700	46.50	9.00	2.75	. 0.35	0.35	2.00	2.50	Nairobi	K.Schilling 14.6572 59	24.42	6.82	3.89	0.64	6.32	1.23	1.0
uwait	Kuwait Dinar 0.533	98	48.78	11.26	0.47	0.47	0.47	1.88	1.41	Kaala Lumpur	Ringgit 4.3025 58	. 20.73	3.72	9.30	0.81	0.65	0.93	0.4
lassau	Ba.\$1.967	97	44.81	10.17	3.56	1.32	1.03	2.03	2.03	Rome	Lire 1,649.25 58	25.16	8.19	0.67	0.42	0.30	1.82	1.
msterdam	Guilder 4.005	95	40.20	13.73	2.99	0.81	0.62	2.00	2.50	Damascus	5yrian £7.7205	27.96	4.07	1.02	0.76	0.76	1.53	1.
tockholm	S.Kr.8.5387	93	34.55	14,63	5.27	1.08	1.50	2.46	2.58	Madrid	Peseta 139.45 .57	23.31	5.38	1.15	0.72	0.39	1.80	: • f i
lew York	\$1.967	92	37.72	7.69	2.31	1.02	0.76	. 2.54	- 2.03	Birmingham	£	23.25	5.00	2.50	0.35	0.35	2.00	Z.0
sio	N.Kr.9.860	91	31.44	11.66	7.61	3.23	1.52 .	3.55	3.04	Vancouver	C\$2.3065 56	22.98	8.24	2.17	0.56	0.35	1.30	15
agos	Naira 1.2673	90	33.14	11.84	6.31	0.79	0.95	3.55	3.16	Toronto	C\$2.3065 56	22.33		2.60	0.76	0.48	1.19	. 1.7
	\$1.967	88	37.27	10.17	4.32	1.02	0.64	2.03	2.03	Tunis	- T.Dinar 0.794 54	21.10	7.00	0.70	1.50	0.35	2.00	1.
io de Janiero	Cruzeiro 38.54	87	28.54	12.97	2.08	2.08	0.39	3.11	0.65	Port of Spain	T.T.\$4.7208 54	17.74	3.81	1.91	0.42	0.25	0.83	14
ienna	Schilling 27.195	83	33.83	5.33	1.84	1.84	1.47	2.20	2.21	Cairo	Egypt £1.36 (tourist) 52	23.75	3.68	2.94	0.74	0.57	1,47	0.5
	L.Fr.58.05	79	24.98	, 13.78	1.38	1.21	0.86	3.45	1.38	Rabat	Dirham 7.70 48	18.44	4.54	1.56	0.91	0.52	2.27	<u>x - 1.0</u>
aipei	New Taiwan 70.812	78	24:21	17.79	1.34	1.25	1.34	1.24	0.97	Wellington	NZ\$1.8547 48	18.47	8.63	2.70	0.35	. 0.40	1.35	1.6
os Angeles	\$1.967	77	36.48	7.12	2.03	0.81	0.64	1.78	1.53	Johannesburg	Rapd 1.7109	20.16	6.14	1.81 -	0.32	0.35	1.61	
hicago	\$1.967	76	33.30	9.15	3.05	0.64	0.51	1.27	1.53	Dar-es-Sajaam	TSchilling 14.655 48	17,74	4.78	4.78	0.82	0.52	1,71	13
hartoum	Sudanese £1.03	76	25.98	10.37	9.04	1.54	1.44	2.72	0.51	Mexico City	Peso 44.93 43	19.36	3.34	1.22).n	0.49	1.12	
lelsinki	Markka 7.810	76	26.12	-11.52	4.61	1.43	1.41	1.92	2.56	Karachi	P.Rupee 19.025 42	27.88	1.80	0.18	0.93	1.29	1.03 -	0.5
tlanta	\$1.967	74	31.88	8.13	3.30	0.87	0.56	1.65	1.35	Belgrade	NewY.Dimar 36.9613 35	12.85	3.65	0.87	0.73	0.32	1,21	. L á
	J.Dimar 0,573	72	33.68	4.36	1.40	0.96	0.52	2.00	0.70	Colombo	SriLanka Rupee30.486 34	13.67	2.46	4.10	0.49	0.39	- 0.66	. 0.8
dney	A\$1.7055	72 .	29.90	9.09	2.35	0.53	0.73	2.35	1.29	Lisbon	Escudo 90.45	12.99	. 4.12	0.66 - 2	1.1.1	. 0.55	0.99	D.Z
oscow	Rouble 1.30	68	34.62	7.69	2.31	0.92	0.38	0.77	1.15	Nicosia	Cyprus £0.7060 34	14.52	2.83	0.57	0.57	-0.35	1.42	-0.8
						(local)				Salisbury	R\$1.3641	70.70	5.50	2.02	0.59	0.27	0.92	5÷1.4
tontreal	C\$2.3045	48	25.25	10.84	2.82	1.08	0.65	1.52	. 2,60		Yuan 3.2326 32	15.93	6.19	0.77		0.15	0.77	-07

The index is based on the sterling cost of three night's bed and breakfast and two a la carte dinners in a first dass/international catego hotel lunch, two snack meals, one 5km taxi journey, half a litre of beer and five whiskles. (There are anomalies relating to the available Arabia and Kuwait, and for wine in Pakistan — the indices io these cases will be unavoidably low.) y hotel, one dinner in an average me t three bottles of house wine. O Rty of alcohol; soft drinks have be

In spite of changes in the sample size (66 this year, 67 last), and method, the consistency of the information is shown by comparing the rankings at the head and tall of the leagues ten of the top 15 last year to be found there this time and the bottom 15 are similarly compatible. This year Tokyo has emerged as the most expensive business centre, slightly ahead of Paris. European and Middle Eastern cities are other the chief drain on the company business travel bill.

London's ranking has risen once again. There are only ten cities where the bu Exchange rates are as published in the Financial Times on November 14, 1978.

HE sharp contrast in the sterling. Two years ago; London cost of living in the two was 38th in the world rankings dominant capitals of Far East-Tokyo and and very much the "hargain basement" of Europe in terms Peking-is graphically revealed of where it was cheapest for In the latest Financial Times executives to carry out business. survey of those costs likely to he incurred by the travelling businessman overseas. The new survey of 66 business centres throughout the world, based on information collected from FT correspondents overseas and published in book form

Last year, however, the cost are now relatively cheaper for the UK husinessman, the increase in most continental sharply to push it into 14th place-just ahead of Tokyo-while this year it bas just stayed outside the "top ten" hut moved into 11th place. currencies against sterling has had the reverse effect. Two The gap hetween the top and bottom of the price comparison. table has again narrowed, in spite of a number of shufflings of Individual positions. The

years ago New York was the second most expensive city in the world when London was 38th. It is in 16th position this year. The index is based on the index for each city is based on assumption that the business traveller normally tries to find a three-night husiness trip, calstandard of accom

that such cities as New York considered good).

overall costs of various citiesnote that the cost of accommo-

Costs Orersco

described as "first-class" can Israeli wine costing £1.22 a of doing business still vary travelling alone could face diffi-differ markedly from country to bottle likely to be of the same substantially in different parts culties getting a taxl or hiring country. While the increase in aterling be bonght in Brussels (although the guide FT correspondents. If, however, businessment against the U.S. dollar has meant both by local standards are were asked to provide back- from overseas want to come to that such cities as New York considered sould

ground information on those Britain to transact business When comparing the relative customs about which the interthey should be aware that-Socia national traveller should he apart from our own note that the cost of accommo-dation in London accounts for a relatively higher part of the total figure. This can make religion has strict rules on eat. What it is in London prices for food and services ex-cluding accommodation higher in some countries than, would appear from the index. How-ever, the FT book. Living as a greater deterrent than feat. includes, both shoit and concerning religion as a greater deterrent than feat. includes, both shoit and a greater deterrent than feat. includes, both shoit and in cost of staying. Is about half the taken in Middle Eastern in our survey and where the Moslem cost of staying is about half religion as strict rules on eat. What it is in London to concerning difficult rules on eat. What it is in London perils of disobeying local laws. Guide for Businessmen, is pub-concerning difficult are likely to act. cial Times: price 140. If exert, the FT book. Living as a greater deterrent than feat. includes, both shoit and long costs Overseas, has this year of offending religious and striv ernenses, withe detailed S. EIVING cultural mores. In less developed Middle Comestic help, transport and Eastern and African countries, communications, consumer especially in areas outside the goods and entertainment as well main cities, businessmen are: as general information on 66 usually advised bot to flaunt under business centres in the their affluence, especially large, world. It also rovides an inder fortign cars. For women busi- of weekly and daily ensus ness travellers the potential exclusive of accountidation. ing both a rise in hotel charges Some anomalies are hound to dard as the £14.17 meal in a to incur, the differences in area. In some countries, for Minster House, Arthur Strict, and the strengthening of occur, if only because what is Paris restaurant: nor is the standards, customs, and methods example, women executives London EC4R SAX

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ccess than the Tories' Indus- what is bappening on the shop trial Relations Act of 1971. But floor, While their influence on what should such legislation legislation and their legal aim to achieve?

One possibility is to restrict central issue is not so much the right to strike, particu- trade union power as the prelarly in Industries supplying valence of forms of hehaviour esential products and services, which impose intolerable hur-This could take the form either dens on the community. It is of a statutory restriction on this hehaviour which has to be workers in certain sectors or of curbed.

The Japanese trade surplus

THE ANNOUNCEMENT by the Europe and the U.S. by sectoral Japanese Government last agreements. Friday, that its policy of voluntary restraint on exports would lapse at the end of March, was played down hy officials in and the question which may Tokyo as well as hy their conn- legitimately he asked is whether terparts in Washington, but for the advance warning of the end somewhat different reasons. The scheme beralds a correspond-Japanese Ministry of Interna-tional Trade and Industry (MITI) took the view that the upward movement of the Yen had already proved so effective in curbing exports that the voluntary reatraint programme had ceased to play a meaningful role. U.S. officials say that they have never had much faith in the voluntary restraint of exports, hut continue to heliave that an increase in Japanese imports is the right way to tackle Japan's structural trade surplus.

Revaluation

On the first point, it is cer-tainly a fact that the revalua-tion of the Yen bas been biting into Japan's export perform-ance since the middle of last year. While the trade surplus remains very high in dollar terms, it has started to fall in export volume was down 2.7 per regard this as an optimistic overcent on the corresponding statemant, and expect that it period of 1977, and in the fol- may well turn out as low as 5 whole, ending in March, Tokyo expects the Yen value of exports to be helow the 1977 level. from Y2,700bn in fiscal 1978 to Yet doubts remain over the Y1.400bn in 1979, significance of the announcement from MITI. Japanese offi- Japan's exports has been to the cials point out that the voluntary restraint pledge was never intended to extend beyond the Kong, and it is looking to the current fiscal year, but in that new market opening up in case why was it necessary to China. But is is clear that the

visited hy an increasing number of Western businessmen followimmunities are excessive, the ing the relaxation of trade barriers—is cheaper than any

other major city in the world. This is the first year that the Chinese capital has heen. included in the survey. London bas continued to

become a more expensive place for businessmen to stay, reflect- Cyprus).

Outlook: minus

two degrees.

The British government has Americans are as obsessive long felt that the UK is a particularly vulnerable market for certain Japanese exports, about the weather as we on this side of the Atlantic. Their radio and TV weathermen hecome celebrities — onc New York exponent changed his name to Storm Field as an aid to stardom. So the sad fate of "Doctor" Boh Harris has ing change in these sectoral caused, as one might say, a deep depression. Doctor Boh arrived on the

On the import front, the apanese government has higtime weather scene two years ago. He was hired by certainly taken some steps to rectify the situation, hut it is difficult to say that these steps WCBS, an all-news around-theclock station, as resident exare yet adequate. In the latter pert. His easy, mellow style and highly accurate forecasting part of last year, the govern-ment announced a \$4bn emergency import programme, won such renown that last July he was hired by the New York hut it is already admitted that Times to handle its weather this target will not be met by the end of the fiscal year. column. In commending him to the readers, the paper At the same time, the Japa

nese Government announced last September a £6.7bn economic package designed to boost

agreements.

Japanese

domestic consumption. Yet the fact is that the current year's growth is falling substantially helow the 7 per cent target to which the Government pledged itself in Bonn last summer. while for the new fiscal year the growth target is officially set at hoth volume and Yen terms. In only 6.3 par cent, and most the second quarter of last year experienced observers in Japan may well turn out as low as 5 iowing quarter by 3.8 per cent. per cent. It is not easy to For the current fiscal year as a reconcile the low-growth target with the forecast that the current account surplus will decline

All the recent increase in fast growing economies of South East Asia, like Korea and Hong

announce lhe end of it now? long-standing Japanese trade Within the broad umbrella of surplus is not about to disappear the voluntary restraint pro- unless the government takes gramme, exports of a number more energetic measures to of sensitive products such as stimulate growth at home, and cars, television set, ships, steel may well give rise to further and hall-bearings are limited in tensions with the older indus-particular ovcreas markets in trialised countries.

MEN AND MATTERS

The TGWU are hetter than advertising." duced only when specifically asked for.

honesty.

me:

المكذاب التعمل

The truth may put some

people off. hut in the end if

atressed not merely his degree in meteorology, but his PhD Summed, which deems itself eminently respectable, has in geophysics. asked the Westminster standards department for a Last week, Doctor Boh was unmasked: he does not bave aoy ruling. Head-scratching has degrees at all. He was sum-marily dismissed by hoth the New York Times and WCBS. resulted: whereas action can he hlithely embarked upon against companies telling lies, there is some douht about the legal posi-The sorry tale has some dis-

turbing implications for the professional weather fore-casters. Doctor Bob got it right at least as often as they did.

Spice island

A London tour operator bas an honest company they come appealed to trading standards back." officials, because the Greek National Tourist Office in Regent Street has put a ban on exbibiting his publicity brochures for being "too frank." The company, Sunmed, mentioned that there are parts of Greece where nude bathing is popular; but its worst offence was in describing the island of Mykonos as being bomosexuals.

culated on the cost of bed and breakfast in a first-class or breakfast in a misicilass, international category hotel, the world, as well as immung with dinners, snacks, drinks, and to eat traditional Enropean food and buying his usnal the taken into account. food and buying his usnal This year the index ranged drinks rather than experiment-from 133 for Tokyo to 32 for ing with foreign delicacies. But Peking. Last year the spread such standardisation is not, of 232 to 58 (Abu Dhahi to

was from 160 to 35 (Frankfurt course, possible in practice, to Nicosia) and the year before The restaurant meal quoted in Moscow as costing £7.69 is unlikely to be the same stan-

produced a breakdown of dif- cultural mores. modation wherever he goes in ferent costs. This may help companies to decide whether it is worth while investing in private accommodation in cities their executives visit frequently. Although there is greater uniformity than ever before this

year in the level of expenses that the businessman is likely.

to he equated with antisemitism. Wiesenthal is in Britain seek-

ing support for his campaign against the proposed enactment of the Statute of Limitations in West Germany. This will end trials against former Nazis. He told me that he fears the Eastern Bloc will publisb, right after the anactment, lists of war crimicals they will claim to have just found. "This will be a welcome diversion from their own problems, and will create

unrest in the West, where millions were victims of the Nazis or had some relative who was." Wiesenthal forecasts gloomily: "The whole world could be affected by such accusations."

Erse entry

Money is at the root of the efforts begun last week by Sinn Fein to put up candidates at the Impending elections to the European Parliament. The party, descendant of the political arm of the IRA, is appealing for funds from the Community to fight constituencies both in the Irish Republic and Northern-Ireland. But it must find some way around the ruling that such funds are only available to parties with at least one repretion when somehody allegedly suffers discriminations for sentative in the current European Parliament.

Suomed's managing director, Victor Fatah, put his case to by A 30-strong delegation. . led by Sinn Fein president Tomas Macgiolla, has visited Strsshourg to press the case for money. It they find they are dealing with also distributed a leaflet explaining its view of the EEC--which the party has castigated

patriots yesterday hy Simon which Slan Fein might get Wiesenthel, chief of the Jewish embarrassing British support.

parts of Greece where nude bathing is popular; but its worst offence was in describing in London, he urged: "We should stop talking ahout 6m Jews murdered by the Nazis, For the national tourist fo office, that was too much. The believes that Nazism is still a hetter. ooe would surely go to Sunmed hrochures have gone menace in some parts of the Glenda Ward, at the Avienore under the counter, to he pro- world, and is too serious just Centre in the Highlands. She

is organising a rave-up for next Friday, which happens to be Australia Day-Glenda comes from Perth (the one Down

Under). "I wasn't expecting to find any other Australians when I arrived in Aviemore," she says in a handout. "Bnt the place was crawling with them."

Better at home

from the offices of the Soviet News, ensconced in that haunt of the proletariat, South Kensington. It says that the bulletin, mouthpiece of the Soviet embassy, has not come out since November 28 "owing to an industrial dispute in which it is not directly + in-

Equally sad is an apology in the latest issue of Labour News, distributed late because of the rail strike and in truncated form because of problems with the printers.

One must say that Provda never seems to have such troubles: there are ways in Moscow of making the comrades apread the word on time.

Nuclear notion

If the devil has the best tunes. the Left seems td come up with the best slogans. Something called the Big Red Diary 1979 (perversely, it is small and yellow) bears on its cover this message: "Better active today than radioactive tomorrow."

Knees up

a footwear trade show-intro-duced latest styles: among the

for Morris dancing teams.

A plaintive note reaches me

volved."

Observer

Current and Deposit Accounts Sterling Loans and Acceptance Credits etters of Credit and Bocumentary Collections Currency Advances for the Finance of Foreign Trade Corporate Advice



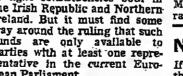
in the past. A main plank is that all funds currently spent on the

Common Agricultural Policy Some advice on how to look at should be diverted to regional history was offered to his com- and social funds a point on

In these difficult days, rest assured that the spirit of Merrie England is still being catered

for. Yesterday in Blackpool, the 21st International Slipper Fair-

cowboy boots from Spain and the feminine fashion boots from everywhere, a Halifax firm produly displays its line in clogs



FINANCIAL TIMES SURVEY

Monday January 22 1979

ARAB CONSTRUCTION

Construction spending in the Arab world is reaching a peak in real terms. But the size of the market remains colossal as do the operating problems—and there is now a demand for more sophisticated construction work, which favours western and Japanese contractors

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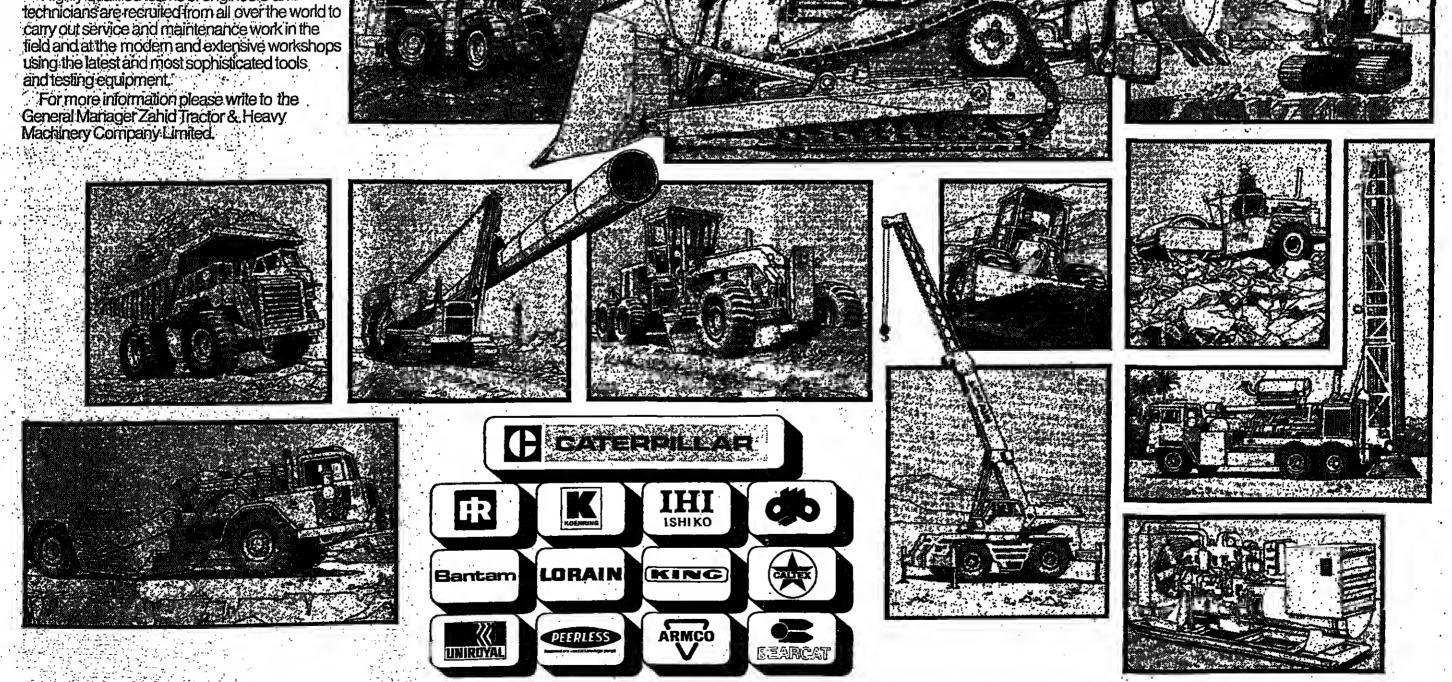
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ARAB CONSTRUCTION II

big but demanding market A

world is no longec the explo- The Arab construction scene is airports, bridges, ctc. sively growing pbenomenon that changing. While the building it was two to three years ago in the wake of the 1973-74 oil price rise. It is likely that public and haa yet to happen in Saudi private sectoc spending on construction rose only slightly last year and may in real terms, taking inflation into account, have to Plantecon. Meanwhile a condeclined.

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In some parts of, the Arab world contractors 'are seeing projects coming to an end, having difficulties finding new work Complex and facing intensifying international and indigenous competition. But that does not mean that the construction cranes are standing idle in the Middle East: some cities may now look more mature inan they did two years ago, hur others are still vast construction sites. The sbeer volume of work in progress is colossal; according to onc estimate — by Plantecon Overseas Research—public and Overseas Passearchprivate sector spending in the Arab www.ld excluding the Maghreb, Sudan and the Yemens last year totalled nearly \$22bn. Saudi Arabia alone accounted for just over balf this figure.

Spending is at a peak but the rate at which new contracts are North Yemen and Sudan, on the have been occasional moves to being issued is — in the region other band, the construction slow the cate of spending, while

CONSTRUCTION IN the A'cab as a whole - slowing down. needs are still very basic: roads, there were cash flow problems boom in the smaller Gulf States bas undoubtedly peaked, this Arabia, where public and private spending increased last year by 14 per cent, according struction boom is only just getting underway in North Yemen and Sudan.

As each State reacbes a different stage of development the construction work it type of requires changes. Spending on hasic infrastructure is slowing down in the Gulf States hut is being partially replaced by technically more complex work in process plant of different kinds - in beavy industry oc power stations or desalination plants. In Saudi Arabia some of the big contracts recently let or put out to tender are for such projects as the gas collection scheme in Eastern Province, the crude oil pipeline to cross the peninsula and a desalination/ power generation complex foc which affected contractors for

The construction boom has part of 1978 (due to lower than peaked in the Gulf Stafes expected oil output), and probecause governments virtually jections drawn up by Plantecon ran ont of worthwhile projects, found the pressure of immigrant tion spending (in fixed price terms) by 1981. Libya appears workers intolerable and found likely to follow much the same that their spending was fast pattern, while Iraq, where catching up with oc, as in the case of Oman at the entrance to the Gulf, overtaking their income. The resulting cutbacks expenditure is still sbort of income and needs are still substantial, could continue at a bigh level of activity for longer. and credit restrictions usually

caused a slump in the property market, knocking the private sector construction boom on the ing states and the volume of bead. So while Abu Dbabi, for construction is necessarily much instance, is spending more money than ever on its official smaller, but the inflow of aid and, no less important, remitdevelopment programme this year, it has also put a ceiling future spending, said it will be commencing almost no new projects and has banned new private construction. Kuwait bas cut its development hudget by 1 per cent for the current year. a substantial drop taking infla-

tion into account. Saudi Arabia is different because the size of the country calls for a greater amount of infrastructure, while the financial resources are inevitably Jubail worth at least \$2bn. In enormous. But even bere there

tances by wockers in the oil States are creating their own momentum. In fact construcmated to bave been more than twice as fast that of Saudi Arabia last year. The change in the nature of

the market has naturally affected the developed countries, whose construction companies set out for the Arab world in droves after 1973-74. Some of the Britisb companies which did so well in parts of the Gulf- Algeri especially Dubai-may now be bard wishing they bad also gone for manage the even more testing but more

durable Saudi market. Some panies British companies are leaving the region altogether-indeed about 100 companies of different nationalities have lately left Abu Dhabi. As harbour build- the lowest bid only when it ing work begins to dry up. the Dutch, witheir speciality dredging, are in some cases feeling the pinch. On the other hand West German and American companies, with their emphasis on high technology capital ecuipment, should benefit from the change of direction in the market.

hange

This change put some limit little resemblance to the origi-on the market penetraticn both nal bid. The fixed price con-of indigenous Arab contractors tract is of course far easier to -who receive favoured treat- administrate than any cost plus ment in most States—and Far arrangements, and whether the Eastern construction companies, client is well served by the other than the Japanese, since lowest bid principle depends to South Koreans and a large extent on how well the Taiwanese have more experience in civil wocks contracts the specifications. rather than bigh technology. However, contractors from world is becoming more stable these countries as well as from

tive cheapness and Prussian discipline of their labour, contractors from the Far East have show a small drop in construc- made inroads into fields which western countries used to regard as their own preserves. There have been bowls of anguish from western companies at the low bids often put in, but their is little evidence that, except in the case of the very occasional The boom was slower to get taken for their foreign exchange under way in the nin-oil export- earnings rather than foc profit. " Do the Koreans make money? Sure, some of them make money," says James Nelson vice president of Bank

Because of their lower cost structure at bome and the rela-

of America in charge of construction finance in Europe, the Middle East and Africa. **" 1**t tion spending in Jordan is estimary sometimes seem a lousy price to a Westero company, but it's often satisfactory in the context of a Korean contractor's cost structure," be says

With competition so intense, Arab countries are in many cases in an even stronger position to take an exacting line with contractors, and some-

such as Saudi Arabia and Algeria-are becoming capable, driving construction managers. Saudi Arabia tends to farm out the bandling of its higgest contracts to large com-Bechtel, - such as Aramco, Parsons and Fluorwbo provide a surrogate hureancracy and tend to take certainty about supplies and costs, is almost everywhere a thing of the past. On the other meets the specifications.

The Sandi Government itself. hand manpower provides a conwhile not switching away ni principle from either the fixed tinuing beadache, especially in Saudi Arabia last year in the face of a clampdown on illegal price contract or the acceptance immigrants, while there were of the lowest bid-principles almost universal in the regionalso extended payment delays due to the i snow inclined to hold on to Gnvernment's attempts to rein bacg spending the two or three lowest bidders' to meet cash flow constraints. bld bonds and then negotiate a yet lower orice, so that, as James Buchan reports from Contractors there are highly dependent on their. bankers' Jeddah, the final price bears understanding, The relative size of Sandl mobilisation payments has become smaller, Sometimes contractora bave suffered from the capricious exercise of officials' power, sometimes, in the case of a celatively small British company, fcom too low a capital

consulting engineecs arew up base. A furthec problem which has cmerged in the past year oc so in the construction field in the is ovec foreign exchange. The Arab world is now, more than If the Arab construction foll in the U.S. dollar has led to ever, on the contractor's ability fourth, depending on global -" mature " is not a word one Indla and Pakistan are tackling can easily use about a dynamic the revaluation of the Saudi rival to perform effectively, cope with ma electrification work in Saudi field like construction-the and the Gulf currencies; but enormous problems; and make region is still very difficult to these currencies are, sub- a good profit.

STRUCTURE OF THE CONSTRUCTION MARKETS IN 12 SELECTED MIDDLE EAST ECONO. MIES 1977 AND 1978 PUBLIC AND PRIVATE SECTOR EXPENDITURE, IN CURRENT Sm. POR ESTEMATED.

1977 - -----

Other Construction S mil addure Total Constr (design, Const. Expendi-Equipment Construc-Popu- Tetzi change Used + labour Expendi- ture tion lation Expendi- over New Service ·AII Material profits etc Country ture per Capita in mil. ture 1977 Bahraín . 58 44 14 120 142 320 1103 0.3 259 (19) 42 690 148 190 . 823 1713 -Egypt - 44 38.0 1182 (31) 490 185 675 2440 2190 5305 Iran 164 34.0 3873 (27) 366 1150 Iraq 305 61 1234 2750 225 12.2 3355 22 Jordan 27 8 35 135 150 320 . 114. 2.8 422 32 21 Kuwait 86 .197 425 488 1020 1020 1.0 1071 - 5 189 64 253 Libya 720 460 2.5 1433 · 582 1247 (13) 13 Oman 66 75 214 483 1.5 382 (21) 190 322 Qata 53 10 63 210. 188 461 2095 0.2 309 -(33) Sandi 357 Arabia 841 1198 4290 4902 10390 8.0 11845 14 1300 Syria 54 18 · 72 243 315 630 - 79 65 · UAR 225 290 780 1960 2279 ·0.9 1235 (37) 890 TOTAL 2528 858 3386 11417 11982 26785 247 109.4 25703 (4) Plantecon define " construction expenditure " as containing " bricks and mortar " only, ie abstract ing mechancial, (petro) chemical, electrical, etc., installations. Thus the mone describes (simplified), the construction industry's otal turnover in its widest sense Thus the monetary as

Source: Plantecon Overseas (Research).

It was possible to make very large profits in the initial boom work in. The problems are stantially devalued against the changing, bowever: for ex. Deutsche Mark and the Japanese ample, port congestion, which yen. Saudi contracts in par-once produced frightening un ticular are denominated in provided the contractor was ticular are denominated in rivals, which has affected West German and Japanese conwell organised and efficient. Now. Nelson, the level of profitability while unforeseen tractors, foreign exchange fluctuations in general have eroded many con-tractors' profits.

Emphasis

With the rate at which new contracts are being issued easing, even in Saudi Arabia, it' should stand such a company h is becoming more difficult for good stead for the next few new contestants to enter that or years. Mr. Nelson believes new contestants to enter that orother markets, and such issues" that companies must be highly as the degree of financial supwestern countries give their contractors have become less relevant as regards the Arab world. Still, the celossal scale of some contracts has posed difficulties for banks, official credif agencies and, like a multinational be globally insucers sums at stake. But the emphasis

is "decent" for the good operator. "The company that did well in 1974-77 was the company that was entirely selfsufficient, set up with its own labour supplies, spare parts and food, and with its own machine shops for making cepairs," he says. The skills acquired then flexible in everything, from design to the source of supply not necessarily automatically turning to their bome base for procurement. "The successful company operating in the Middle East just has to think in . guaranteeing. the ; minded - perhaps taking finance from one country, equioment in the construction field in the from another. labour from a third. raw materials from a market conditions."

according to James

1978

James Buxton

American suppliers-for, ex-

Eastern Province, for Texaco

But whichever nationality is

involved, all the contractors in

the same long, often daunting,

list of problems which make up

wock in the Middle East region

Apart from some tough physical conditions. In areas offering poor communications and un-

reliable material supplies, the

contractor has to confront prob-lems of inflation, slow payments,

sub-contractor risks and all the

other financial, logistical and

political difficulties which may

or may not arise.

SALES imple; the £200m oil, refinery contract at Jubail, in Saudi's

and Socal.

Five Arab

Gulf states

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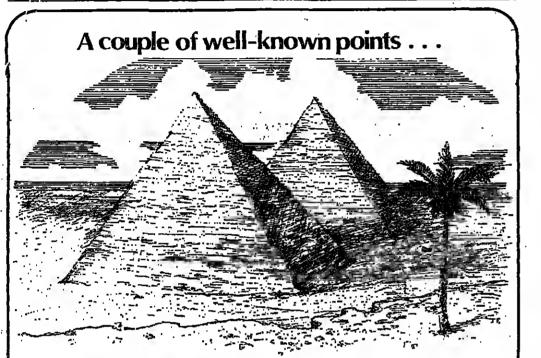
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Over the past five years private and public project expenditure in Saudi. Arabia has increased more than fivefold. In 1977 alone it totalled \$22 billion! Every year the figure rises. In surround-

ing countries the story's the same: Iraq. Egypt, Kuwait, the United Arab Emirates are all commit ted to multimillion dollar programmes foc new towns and cities, seaports, airports, roads and railways, housing, hospitals, offices and hotels. Projects that cannot commence without technical expertise, equipment and materials from the rest of the world

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The East-West battle

TAEK OF locreasing competiwith the expensive business of tion among international civil bidding for work if they know ensineering contractors a Far Eastern competitor is PRO throughout the Arab world is not new, but the intensity with which the battle for business is now being conducted bas taken many people by surprise.

In the space of 12 months, talk of the "threat" posed by contractors from South Korea, Japan and Taiwan, has given way to first-hand accounts of contracts lost to them.

Relative newcomers to the region bave apparently spared no expense or effort to pick up work previously considered beyond their capabilities-and while the better-established contractors attempt to extract comfort from their helief that the brash interlopers cannot be making any money, the new arrivals continue to clean-up.

Contractors are failing to win the type of work which, until recently, they may have been tempted to regard as their own, or at least as belonging to a small circle of specialist operators. The Dutch can speak of dredging contracts won by the Japanese, the British con tell of road or industrial plant projects snatched by the South Koreans and the Americans. too. have seen work taken from under their noses.

Any conversation with a search of foreign earnin British contractor in the Middle lahour-consuming work. East inevitably centres on the But whatever happer strength of the competition they now confront. His comments are usually tinged with a hint of desperation which comes from knowing that his company can build just as well, if not bettec, and can build as fast as any competitoc-but that it is left hopelessly adrift when it comes to contract price.

Threat

وكذاء التعمل

The South Koceans-widely regarded as the major threat to the previous order-are consistently under-bidding on a up to 25 per cent. In some cases the gap is claimed to be even greatec.

As their experience grows, the Koreans are beginning to take an interest in higher technology projects and are departing more regularly from the labour-intensive schemes which until recently bave been their staple, diet.

Namea like Hyundai, Daelim and the Korea Overseas Construction Corporation bave become as common on site bappy with smallec scale boards as those of any of the othec majoc civil engineers and ment blocks, as they are with contractors, including ports and harbour complexes." some British, no longer bother

interested. Now, the South Koreans seem as capable of tackling electrification programmes and oil storage plants as they do bouses and

severage projects. The descriptions of army-type organisation and discipline are

correct and few competitors have found it possible to criticise the standard and quality of their work though recently there bave been reports of some waning in enthusiasm for Korean contractors on the part Parts and sales service of some clients. The Koreans' competitors,

with a fairly plentiful amount of wishful thinking thrown in, point out that the situation may soon change. They emphasise that much of the Asian's success stems from low labour costs and that as the economy of South Korea itself improves, these will rise steadily and remove at least some of their competitive advantage In addition, other contractors point out that a fairly substan-

tial development programme at home will mean that the South Koreans, in particular, will he less able to spare the construction capacity which until now has readily been sent abroad in search of foreign earnings and

But whatever happens, the Koreans' influence is already a major factor to be confronted. According to Mr. Michael Fester-Turner, project manager on Taylor Woodrow's Sberaton complex in Babrain, the Koreans are winning substantial volumes of business and at prices which, he reckons, make

"We could do the jobs they are taking on just as quickly, just as well and at the same price, but we want to make

"A lot of American consul- ranking high in hte Middle East tants are moving into the region civil engineering league are wide range of works by anything and favouring the Koreans, the Yugoslavs (notably Energowhich also gives them a major projekt which ranks among the boost." he says. Still in Bahrain, Mr. James O'Brien of Higgs and Hill says the Koceans' programme of market penetration on the island bas been impressive: "They

took on the big dry dock scheme bere to prove themselves and they put everything into it. Rotterdam hope to raise their They have not looked back since already extensive pcogramme of and now take on all types of activity in the Middle East work. region and believe their newlyand now take on all types of "They are apparently jnst

developments, such as apart- them to compete on equal terms it would be wrong to assume these companies — including

SPECTS	FÓR CO	INSTRUC	TION A	ND EQ	UIPMEN	T SAL
IN SA	UDI AR	ABIA AN	D-THE G	ULF C	OUNTRE	ES 🤄
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Sandi Arabla 1977 . 1981 1977 ... 1981 the Middle: East are faced with ~ (in U.S. \$m at 1977 prices) Construction expenditure (public 8,950 4,243 2,922 and private). 10.390 Total annual construction 710 eqolpment market 1.198 1.368 Sales of new construction machinery 841 919

Used equipment sales 159 180 104 . Source: Plantecon (Overseas) Research.

198

that the South Koreans and some of the British contractors bours are the only major force sortia or joint venture opera-in Middle East construction tions in order to undertake which are worth mentioning, some of the largest contracts. The truth is that the region has Leaders in this type of approach attracted the biggest and the must be the Americans, who best of the international civil, have concentrated an enormous engineering and huilding world! and few of the major indusstantially. represented. all-Sandi Arabia.

Some Western countries have long historical connections with particular Arab nations--foir example, the British in the Guif; the Americans in Saudi Arabia and the French in North Africa.

But other countries without such as Bechtel, Fluor, Hadson, traditionally strong links have McDermott and Ralph M. moved in successfully on the Parsons.

The West German contractors, Capacity regarded as excellent organisers, have capitalised on their close relationships with banking and port construction in Iraq, and Bechtel is managing a natural industry to win some sizeable contracts, such as the Philip gas plant construction pro-Holzmann-led consortium 'to gramme in Algeria. enlarge Saudi'a Dammam port-As a measure of the Americans' capacity. If was amounced just before Christmas complex. The Germans are also strongly represented in Libya and Iraq. .

that SABCO, the Saudi Arabian other nationalities subsidiary of Bechtel, is to manage the construction of the E1.5on Riyadh international air port. SABCO will work with Among three American architects in woold's top ten contractors); the developing the 300 sq.-km site. Greeks (Joanna and Paraskevedes and Archirodon); the also have the advantage of being Italians (Grand du Lavori and able to deal with vary complex process plant which can generate further substantial Lenzi); and , the Dutch (Bos Kalis and HBG). volumes of work for related.

Companies such as the newlyformed Volkec-Stevin group of enlarged management and financial capability will enable with the biggest civil engineers A characteristic of many of

Mr. James Nelson, a London based vice president of the Bank of America who has in the past spelled out the numerous problens associated with contracting in the Middle East, recently came up with yet mother potential pitfall for contractors must be the Americans, who foreign exchange. proportion of their total Middle. East construction effort in the biggest single market of them

Brown and Root is working on

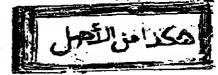
U.S. contracting companies.

Mr. Neison, whose remarks were principally directed at the Saudi market, said that re-cent discussions about the up-ficavals in world money mar-kets and the weakness of the dollar had focused many people's attention on the prob-The American companies are able to offer the widest range of design, engineering and con-struction skills and all imporpeople's attention on the prob-lem of foreign exchange risk tant finance. One joint venture but that, while observers had ben preoccupied with the posi-tion of the dollar, the decline alone in Saudi involves names such as Bechtel, Fluor, Hudson, of the Saudi rival, had received attention.

Mr. Nelson pointed out that the rival had devalued by more than 10 per cent against the Deutschmark and by 20 per

tent against the Japanese yen in the past 12 months. Mr. Nelson fells hornfying stories of contractors who have lost up to half their anticipated profits on a contract because of their failure to cover themsolves against the foreign ex-change risk. His advice con-sider potential shifts in foreign currency, rates when preparing a bid and choose a way of hedging against foreign change risks possibly arranging a forward purchase arrangement with a bank which effectively fixes the relevant exchange rates. Michael Cassell





ARAB CONSTRUCTION III

Manpower

No bed of roses

THE LABOUR market for all countries are not relying so grades of construction workers beavily - on Western skilled in the Middle East is not what labour. Neither are Western it was three or four years ago, expatriates quite so keen to with the vast influx of foreign seek employment in the region in construction projects level. construction boom. ling off in the wake of lower The harsh construction boom.

Financial Times Monday January 22 1979

The mass migration of managers, craftsmen, semi-skilled and unskilled labourers began almost immediately after the oil crisis, which lifted the development asnirations of the Arab world, exposed its weak, ever been offset by bigh living nesses in indigenous skills and costs and substantial inflation. nesses in indigenous skills and costs and substantial indigenous skills and costs and substantial indigenous is indigenous stills and costs and substantial indigenous its indigenous stills and costs and substantial indigenous its indigenous skills and costs and substantial indigenous skills and costs and substantial indigenous skills and costs and substantial indigenous skills and costs and substantial indigenous skills and costs and substantial indigenous skills and costs and skills and costs and skills and costs and skills and costs and skills and costs and skills and costs and c

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Though the situation has now early days of the boom, many of the recession confronting many early days of the tourn, many of the oil-ricb nations will cer-tainly continue to rely on muth-national workforces to oversee and undertake their in any other part of the world. development.

The extent to which many Abilities

the population of the United Arab Emirates as a whole now comprises \$20 per cent UAE citizens and 80 per cent foreigners. They are clearly not all involved in construction, though a sizeable proportion of them are directly or indirectly involved in the current phase of development.

Bahrain's construction pro-gramme bas led to a trebling of the number of skilled workers and technicians to over of its own (about 1.28m).

year plan, Saudi may well need have already taken steps to

skilled labour required for con-supplying labour to the Arab struction was provided by states have themselves begun to expatriates working for Western complain that their countrymen contractors but how Middle East, deserve better treatment and

well-publicised social restric-tions in certain countries have discouraged substantial employers must meet if they expect to receive permission to export labour. numbers of people from par-ticipating in Middle East contracts, as has the realisation that bigh salaries are more than Under their regulations, Introduced early in 1978, workers that a minimum 10 per cent of must receive al least basic ratea his employee's salary is aent

IF BRITISH contractors have

tested in the home market.

of pay for different categories of jobs, the figures aet down and capable of adjuatment by the Indian Government. Employers Indians who believe that they home particularly in view of

grant workers of one type or another is easily shown. There is no doubt that the Dubai is beginning to gather of personnel in many Arab large numbers of Asians who states has risen significantly in are forming shanty towns of the past five years, but most about 40,000 labourers working their own boundaries the scale is in the construction industry and made a name for themselves throughout the Arab world, the efforts of UK consultants associated with construction work bave been no less successful or noticeable. In 1977-78, the earnings of professions related to overseas construction, such as consulting or quality of manpower re-sources required and, in fact, engineers, architects and surveyors, reached an estimated £380m against a figure of little actually choose in many cases to continue to rely on the experience and expertise of more than £30m at the start of this decade. Overseas work in outsiders. band on which UK consultancy

The recruitment and organisation of labour, whilst essential to development programmes througbout the Arab world, bas not however been a story of uncomplicated success.

Many client nations have become alarmed at the scale of the influx of personnel recorded 30,000 and Sandi Arabia is now in the past—their concern estimated to be employing as centring on the numbers of con-many non-nationals as citizens struction operatives ponring in struction operatives ponring in of its own (about 1.28m), rather than on managers and To carry out its next five skilled workers—and several

a further 500,000 expatriate reduce the incoming labour workers by the early 1980s. ide, a development which has creating a situation in which the most recently tended to happen country employs more without any outside help. country employs more without any outside help. foreigners than Saudi citizens. At the asme time, some Until recently, much of the governments in contintries

> and the second second second and a second second second second second second second second second second second second second second second

services are involved has now topped the £25bn mark and their Extended operations bave a significant The largest consultants have effect on this country's balance built up large teams of personof payments. nel, experienced in every aspect Inevitably, much of their of planning for every type of effort has in the past few years been directed at the Middle East, where home-bred design construction project. Now, as basic infrastructure and consultancy skills bave been

working.

aod bousing.

builds up in many client countries, the consultants' work as thin on the ground as firstis being extended more regnclass contracting ability. larly to include recreation, sport The British bave, in many resand leisure facilities. pects, capitalised weli on some As a result of rapid urbanisalong-standing and friendly rela-tionshlps with certain Arab

tion, many Middle Eastern countries are sbowing increasstates and they bave often been ing interest in this type of instrumental in ensuring that development and the Britisb consultant has again been windeveloping countries have chosen to adopt the best of British standards, practices and ning some significant business in this area. philosopby, all well-tried and

better conditions when they are also contractually bound to will simply cut off the chance of take up employment overseas. give three months' notice of employment to large numbers of The Indian Government, per-redundancy; they must also people with oo other prospect haps more than any other, bas provide 30 days a year paid of work and there is already haps more than any other, bas prove and offer tree income now imposed fairly strict condi-tions (when compared with the services and furnished living tions (when compared with the services and furnished living accommodation to each and their employees. evidence that contractors in the Gulf bave been turning to alternative labour markets, such Free transport to and from Banglsdesh. work is also laid down as a pre-

condition of employment and the employer must also ensure The new restrictions bave and work while in Arab market bas also been a target been criticised internally by countries.

involved.

be likely to tolerate and although most major international civil engineering con-tractors maintain good standards of accommodation and food, few of them would expect labourers from their own countries to tolerate such con-

ditions.

as Pakistan, Sri Lanka and Banglsdesh. But the Indian Government's many employers providing a as the South Koreans, Cypriots concern must be considered to range of facilities equal to any and Greeks prefer to bring their be justified in the light of con-at home, defying the conditions own labour with them from dlitons under which many and location in which people home and to maintain a military-labourers (not exclusively often have to work. Tradient) have hear formed to live The construction labour others import operatives from

beyond countries. for unscrupulous agents whose Conditions have varied enor- sole concern has been to make

Standards

By contrast, standards for European staff seem to range from good to excellent, with

boundaries. The by-now familiar South

mously, relying on standards quick profits for themselves, laid down by contractors as often leaving large numbers of much as by any individual defenceless and naive immigovernment, and according to grant workers without the work the nationality of the workers they were promised and with noway of getting home. It is true that this somewhat

and comfortable to the sort of distasteful aspect of the inter-standard no Westerners would national labour scene has more the View of the sort of th recently improved. With the rush to assemble and ship as many workers as possible nations desperately short of manpower now over-Indian agents, for example, now send a few hundred at a time, although recruits were once counted in thousands-the situation now bears little resemblance to the one which existed a short time

Koreans, in particular, have an immense reserve of skilled manpower available for work in the Middle East. Skilled workers have been trained through Government work and the army

15

ment Corporation and the South Korean army release volunteers willing to work on construction projects abroad. They are offered an early discharge, trained and organised into disci-plined and efficient teams and live in coostruction camp sites not unlike the ones they left bebind at home. During the early 1980s, Korea aays it hopes to export as many as 500,000 workers to the Gulf region.

ago. Mncb of the labour force ia still, however, imported by indi-The pattern is not quite so clearly mapped out for the vidual contractors. Some, such as the South Koreans, Cypriots Western contractors, wbo generally prefer to employ a nationals and nonmix of nationals, although management recruiting is usually (though not always) restricted to their national home country

Michael Cassell

Consultants

Little room for complacency

particularly well in the United Arab Emirates and Saudi Arabia and have more recently become a significant force in Iraqwhere at least two dozen architectural practices are now In the consultancy field, UK practices have been particu-

jects, oil-associated develop- ness, visa restrictions and credit ments and multi-discipline controls." commercial centres, shopping package deals, such as interport contract which bas just gone to SABCO, a Bechtel subsidiary.

cause of their previous good marketing organisations should record, according to a report be established to bring together publisbed towards the end of manufacturing, civil contractors 1978 by the National Econo- and consultancy services. mic Development Office.

that the bulk of their workload

it believed could help maintain and the impartial service proaod improve their position. bilosopby, all well-tried and in this area. bilosopby, all well-tried and in this area. Britain is not alone, however, British consultants have done in providing the full range of bas enormous variety, not least exploiting the UK's export Some Western Governments

have been very successful in in stability, language, customs North African markets because and receptiveness to British of their traditional links in the people, but in the conditions of region, while U.S. consultants contract it imposes, methods of predominate in Saudi Arabia, negotiating and appointment, specialising in defence pro- costs of working credit-worthi-

Among its recommendations, national airport design-for the NEDO report said that sullants of other cxample the £1.5bn Riyadh air- public and private sector design had been engaged. the NEDO report said that sullants of other nationalities organisations should increase co-operation in promoting the export of British design services

vided by consultants but em-

consultancy services and, as because it is continually chang- opportunities, especially where and countries, such as Japan, with the contractors again, com- ing. British expertise in design and give more positive and direct with the contractors again, com- ing. petition is now at its peak. "In particular, each client operation was divided French and Italian consultants country is different, not only different organisations. operation was divided between aid to their consultants than

their

As the report pointed out, the presence of British consultants particular, may openly favour overseas is, despite their impartiality, beneficial to exports lar firm of consultants to by UK contractors and manufac- another.

turers as they make market information available and provide opportunity or encouragement which might be denied if conselves.

A recent report from the Economist Intelligence Unit shows that the type of back-up assistance available to consultancy services varies widely according to their country of origin, as is the case with

ment level (monetary, diplomatic and political), which bappens in the U.S., France, West Germany, Japan and South Korea, to personal pressure by well-established local contacts. As the report pointed out, one problem in following up work in the Middle East is the difficulty

Britaiu.

The French Government, In the sponsorship of one particu-

The UK's policy, for coosultants and contractors alike, has been to provide the same information and guidance for all and lel them follow leads by them-

Assistance and advice is also provided by the Britisb Con-sultants' Bureau for companies wishing to take on overseas projects. Some 200 of the largest UK consulting firms are mem-bers, many of whom are work-ing in the Middle East.

Although the Arab countries offer opportunities mainly for the large and preferably multi-Help can range from direct disciplined firms, there are in promotional activity at Govern- addition many relatively small consultancies and individual consultants participating in the market.

Numerous architectural competitions, for example, bave helped a number of small practices to establish a foot in the door and one project in the Middle East has invariably led to more work.

M.C.



larly strong in the development of health and education facilities, the planning of new towns,

complexes and markets, offices

The report gave a big pat on such as France, West Germany, the back to British design and Holland and Japan, which, it consultancy services for their claimed, bad progressed much overseas efforts and pointed out further in adopting an that the bulk of their workload "umbrella approach" to win-

the tough nature of the competition they faced and made It reaffirmed its belief in the several recommendations which value of individual enterprise

Neither should UK consul- and facilities and that, where tants become complacent be- appropriate. national export

Individualistic."

It reaffirmed its belief in the

today actually comes from ning export work. In contrast, overseas. But it also stressed it said, the UK style remained

The report cited examples

contractors. Difficulty



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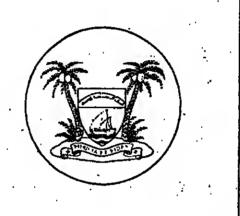
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ARAB CONSTRUCTION IV

The UK contribution

Top export field

doubt that British building and Group bas won a \$7.3m road con-have shied away from too heavy which, unit recently, they would civil engineering contractors are tract in Abn Dhabi, while Bovis a commitment in the country, not have been able to contem-finding life inthe Gulf tougher bas beaten the field to win a which overshadows all its plate. This type of competition than ever before, the region fifsm contract from the Sandi neighbours in terms of pro-is not as yet presenting any continues to provide them with Arabian Government for posed development expenditure major problems for the large the bulk of their overseas work schools and warebouring in -or alternatively have found international contractors and warebouring in the 12 months ending in Government for posed development expenditure major problems for the large of provide them with the contracts involving UK the door and recent events smaller scale building work may.

comoanles won overseas work valued at about £1.92bn, of which no less than £1.02bn came from the markets of the Middle East Only five years ago before, the

value of orders carried out in the region by UK contractors was running at around £75m a The value of work actually

carried out in the Middle East reached £802m, half of all over-Galadari. seas contracts undertaken. At the same time, the value of work outstanding in the region stood at £1.18bn, representing a major slice of the £2.3bn of all overseas we March. work in band at the end of Contractors have been suc-

cessful in winning work in virtually all of the Gulf states, from Iraq. Bahrain and Qatar to the United Arab Emirates, North and South Yemen, the Sudan and Saudi Arabia. For the British, the main markets have been the UAE, Saudi Arabia and (in the non-Arab world) Iran and while the volume of business in some states has been declining, compensation has come in the sbape of new opportunities in countries like Egypt.

A brief list of some of the latest annonncements of work involving UK companies and Middle East clients is sufficient to dispel any theories that the pipeline of work bas slowed to trickle

John Laing International.bas recently won a £12.5m contract with the Arab Organisation for Industrialisation to build a heli-

Contract terms The labyrinth conditions " early part of the 1970s. "Whether or not the UN, cone. While "jumbo" contracts are tractors continue to notch up still coming through the pipes the contract, successes of the line—airport development re- past will depend on their ability mains an active area, along with to anticipate changing treads in the institute of demains. The institute of demains of demains.

lighted.

IN RECENT years concern at the onerous contract conditions Even so, it can be difficult to imposed on contractors by Arab establish an agreed and countries has become a familiar accurate set of indices. In some theme, underlining both the fields, such as dredging, con-seriousness of the problems and tracts based on bills of quanties. the difficulties experienced by with unit rates are more comcontractors in trying to resolve mon. Contractors are now more by the Fédération Inter-nationale Européanne de la Fédération the ploy of relying on variation orders to make up for previous underestimates of cost. Construction provide an interesting comparison between the After the problem of costing values of building and civil perhaps the greatest difficult engineering work undertaken by European contractors in the facing contractors is funding the difference between theory ycar 1977 (the latest available). and practice in the matter of Although UK contractors payment. Generally the terms gained the greatest amount of work on a world-wide basis ---of payment set out in Arab contracts, including the forms of close on \$4bn - they came a security, theoretically provide poor third with \$688m of work the contractor with a reasonin the Middle East. Here West able cash flow. For mobilisa-Germany took the largest share, tion, a down-payment of 10 per \$1.9bn out of a world-wide total cent or 20 per cent of contract value is usual; some employers of \$3.7bn. Italy took just over Slbn out of a world-wide total of \$3.7bn. While the above figures indicate that UK contracnow prefer to supply the construction equipment in lieu of payment, although its quality cannot alweavs be relied npon. tors have a better spread of business than their Continental In the course of work, contracts generally provide pay-ments against shipment or counter-parts, they may also be an indication of a greater reinc-tance to accept the onerous liamonthly progress certificates; subject only to the deduction of hilities imposed on them by the terms of contracts in the Middle a pro-rata proportion of the advance payment and East. Althoogb the international retention. Whether conditions approved by the Fedération Internationale des Ingenieurs—Conseils (FIDIC) often form the basis for such employer is paying cash or receiving credit should make little difference to the contrac-tor, by the nature of most supplier or bayer credit contracts, they may be drastically altered to suit the con-versionce of employers. A prime mechanisms. In few countries, however, in crea of concern is the continuthe Middle East and North Africa is the administration ing insistence on fixed-price conequal to its task. In some local rates of inflation cause instances, such as in Algeria, considerable difficulties. The bureaucratic delays designed to ration protection of schemes offered by some national export credit foreign exchange. Not even Saudi Arabia is free of these surance organisations - such as the Export Credits Guarantee problems a recent bodgetry Cepartment (ECGD) in the UK re-allocation virtually deprived nd the Compagnie Francaise d' the Ministry of Agriculture and Water of funds and one ssurance pour le Commercie Enterleure (COFACE) in France—is generally restricted UK contractor faces an unexpected deficit of many to domestic Inflation and is militons of pounds. This problem is compounded by the fact that Saudi contracts do not therefore inapplicable to most contractors. It is sometimes possible to allow a contractor the right to minimise the effects of local in- stop work. flation by denominating the contract. in say, sterling or Although ECGD protects UK exporters against proven default, and against a govern-mental embargo on the remitdollars, but the uncertainties of exchange rate fluctuations still leave the contractor exposed. tance of foreign exchange, such This risk increases if, for as exists in Sudan, it is reluctthis risk increases in, and to countenance an open-ble to match the currency of ended aggregation of debt, as in ble to match the currency of ended aggregation of debt, as in match the sub-contractors the Saudi case. Furthermore that in which he himself is administrative delays in certify. Other employers may, ing payment make it difficult denominated in local cur- proven debt. In such circum stances the benefits of ECGD Experience among contractors cover are less certain and does very and some have suc- indeed most UK contractors do escicily regotiated escalation not insure with ECGD, except ruses or cost-plus contracts; to gain access thereby to the re- example, escalation was preferential fixed interest rates Nowed in the Dubai Dry Dock for credit contracts or to the for credit contracts or to the matract undertaken by Costains bond facilities. ECGD is, how and Taylor Woodrow. Much ever, expected shortly to issue access to depend on the strength its credit insurance policy for of the links established by the the constructional industry in a

THOUGH THERE seems little and the Dubai-based Ghurair now, many British contractors serious competitors for work doubt that British building and Group bas won a \$7.3m road con-have shied away from too heavy which, until recently, they would

way include the £55m Cairo of them to step up their efforts Plaza project, being built (under to penetrate this particular a management fee agreement) market. by Higgs and Hill; the £20m Streeters of Godalming, the Sheraton Hotel and Shopping Surrey-based specialist in Streeters of Godalming, the Surrey-based specialist in sewerage works and pipeline laying, is the latest British contractor to withdraw from Saudi after a period of trabled complex in Bahrain, being built by Taylor Woodrow; and the £50m Dubai Corniche development, involving Cementation International, which is working jointly with local contractor, Saudi after a period of troubled trading. A hoped for profit centre instead provided sup-stantial losses and the company, Laing Wimpey Alireza is engaged on the £224m project to develop the Saudi Arabian civil airport at Abba; Costain decided to leave Saudi to other competitors. Earlier in the year, Higgs and Hill said it intended to pull out of Saudi Arabia and the Mid-lands-based civil engineering International and Amey Roadstone are building a new airport, at Hodeldah in the Yemen Arab group, Bryant, Holdings, was forced to announce provisions of over £2m against losses in-Republic and Bernard Sunley has won a £14m contract to build a residential complex for build a residential complex for curred by its associate operation, the Abu Dbabi National Oil, Al-Aziziah Bryant Construction Company. Tarmac is making progress on its ambitious Snez tunnel. Bryant, which encountered problems over communications and staff mobility, says it it will

project while all the other familiar names in British civil be thinking very hard before it familiar names in Brittsh civil engineering, such as Taylor Woodrow, Mowlem, Lesser, Donglas, Fairclough, Balfonn Beatty and Marples Ridgway are engaged on projects of varying takes on any more work in Saudl Arabia. The fact is however, that the contractor wishing to work in the Middle East now has fewer

options than in the past. Contypes and sizes throughout the types and sizes throughout the tracts are still available Arab world and its neighbours throughout the region and im ing countries. The story is not, however, one numbers which underline the scarcity of domestic work conof never-ending success. From time to time, the pitfalls of fronting UK contractors, but projects are not as plentiful as

working under a different set of two or three years ago and there rules for various types of client are now many more competitors and in markets which have little in the field. or nothing in common with the For the mo For the moment, the situation

of

SCALCE

the

UK are dramatically high for UK contractors is not generally too acute. Many of the-Nowbere are conditions largest operators are working both contractual and physicalon contracts which have some copter production plant near Cairo; G. and T. Construction, tially troublesome than in the and some the joint venture operation largest Middle East market of —are managing to win new and between Tarmac International them all, Saudi Arabia. Until, sizeable projects which will region for the medium-term. future are now much less bnoyant with client nations confirming to restrain construction expendi-ture in the wake of the sepading boom which characterised the

early part of the 1970s.

companies and already under will not have encouraged many in future go this way but the way include the £35m Cairo of them to step up their efforts growth of domestic contractors Plaza project, being built (under to penetrate this particular in Arab markets will certainly. not help at a time when international competition has also

reached a new peak. The state of the market in the United Arab Emirates provides a good example of how circumstances have changed. A traditionally good market for Brilish construction, the Emirates today represent a somewhat different picture, with much of the basic civil engin-eering work completed or well under way and the opportunities for new work of any const quence thin on the ground. In Dubal, for example, where

British companies - have - longbeen-favoured, the level of con struction work has now levelled out. Development expenditure is set to decline over the next couple of years and contractors are having to look hard for new contracts as they conclude existing projects.

Mr. Samir Said, of Costain International in Dubai, says that for the past two or three years many contractors have treated states such as Dubai and Abu Dhabi as bonanza towns theu withoat doing mework.

"While the work lentiful they managed to up contracts and justify their resence here but now. `` the market is jaded and many of them are sitting around waiting to pick up any crumbs which come their way. Some are without question, taking ou work which is unprofitable simply in order to maintain their operations here. "In Dubai, the type of infrastructure which was nuthinkable five years ago has now been provided and you almost have the feeling you are But there is no doubt that the in Europe. British contractors, prospects for most contractors, still have the hon's, share, of what work is available here and the close bond with the British remains, although I am afraid

it is now being very heavily strained." Whether of not the UK consecond tier industrial projects ---- the pattern of demand, to main-many Middle East regions which tain competitive , tender, prices have traditionally offered most and to complete wo work now find themselves at a schedule. The goodwill which fairly advanced stage of develop- has in the past, served them so ment. With much basic infra- well in parts of the Middle East structure now complete, the will not alone be sufficient to scope for further major works preserve for contractors the



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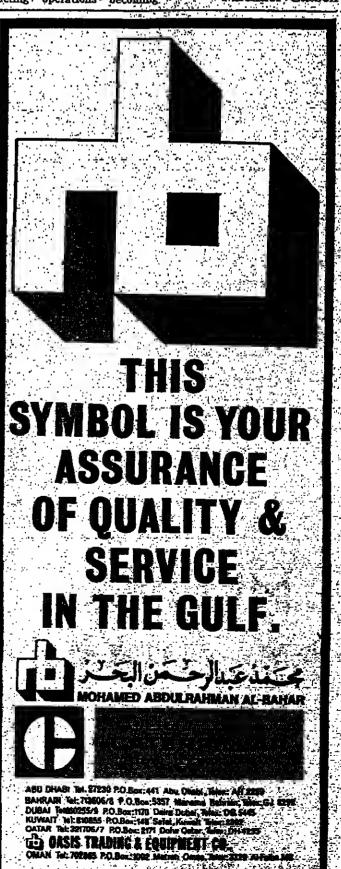
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CONTINUED ON NEXT PAGE

contractor in the particular revised form, and it remains to

is slowly but steadily reducing ... market shares to which Contractors are also having to have become accustomed. faca the prospect of local con-Michael Cassell tracting operations - becoming.



ARAB CONSTRUCTION V

Saudi Arabia

Bidding becomes more competitive

LAST YEAR was not in easy ing ones. Bankers even report double the practice in most surprise. Already disorganised when a one-for contractors in Saudi Finance Ministry moves to other countries—has become a by its move to Riyadh at the re-schedu maximum rather than a rule. end of the previous month. Agains At the same time, the 20 per SAMA refuted to the refuted to the same time.

workers and a recrudescence of the debate on women's labour severely disrupted the labour market at mid-year. At the same

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and these make up the bulk of the industry's work valued last year at SR60bn-the difference etween a profit and a hefty loss depends now not so much on access to supplies but on disciplined skilled labour and an infrastructure for the heavy understanding banker. "We industry on which the kingdom's used to tell contractors they future prosperity is seen th needed three months cover to operata here," one Citibank pipelinc and \$100m NGL line expert said in Jeddah receatly. across the Arahlan peninsula to least.'

While the Government continued to award major contracts the antumn to state reserves: in 1978, and the non-oil sector, defence projects, particularly a of GDP registered a growth rate \$413m telecommunications sys-nf 17 per cent, contractors noted tem for the National 'Gnard. an increasing tonghness on the Government's part in the tender negotiations and in releasing

payments In fact Saudi Arabia has proved much more thirsty for oil revenue than most analysts predicted, and low oil produc-tion levels in the first three quarters of the year lcd to something of a squeeze. At the beginning of the financial year in June, the Finance Minister told ministries they could not spend more than 70 pcr cent nf their allocations without referring back to his ministry. With as much as half. of the

Contractors' horror stories

the debate on women's labour severely, disrupted the labour market at mid-year. At the same time, budgetary restraints an nounced at the beginning of June to curb inflation and eliminate waste in government spending further held up pay-ments on Government contracts of beyond the usual delays of hureaucratic bottlenecks and before the end of the period in tobolidays. With Government contracts down or beld back.

Awarded

Of the major projects awarded in 1978, the most vital are for rest - notably, the \$400m crude

We now say six months at the. Yanbu and work for the ens ast." collection -system, which was given unprecedented access in tem for the National Guard, awarded to Cable and Wireless of the UK, and a \$113m training academy, also for the National OT Guard, let to a German company: projects of measurable social henefit, including a \$344m television station to a German contractor and regional sports, complexes to German and Swedisb companies; \$211m public hospitals to an Italian

contractor; more than \$2bn of bousing to Korean companies; for cover. and port improvement, including a SR671m ship-repair yard at Jeddab to a Saudi-British-

Swiss' consortium. project budgets of most in contracting procedure, the ministries taken up in recurrent major change in 1978 has payments; there was a slowdown occurred in the advance or in the agreeing of new contracts mobilisation payment. The age break, took the Saudi and some scaling back of exist- original 20 per cent payment- Arabian Monetary Agency by

At the same time, the 20 per SAMA refused to pay out claims

In this respect, British and

narrow asset base. A small British company, Streeters of

Godalming, ran into difficulties

in the summer when searching

for a second project to make up

probable losses on a difficult and

disagreeable job-sewage pipe

laving in downtown Jeddah. When the second project was

reasons. Sirceters was obliged

to hand over its Saudi operation

to its Saudi partners. Another medium-size firm, Higgs and

Hill, had to pull out entirely

scaled

back for budgetary

cent extra work required from for deposits from local hanks and stopped issuing contract payments. The demand for the contractor in the contract terms has not been included in the budget and the contractor may sometimes have to wait riyals pushed interest rates up from 71 per cent to 60 per cent นกบ่ไ completion for the for overnight money and from payment. 31 per cent to 35 per cent for

In fact, contractors report that three-month rivals. By mid-December, interest the whole business has become even more competitive. All but rates had subsided and paythe largest Government con-tracts are fixed-price, but the fioal awards now tend to bear ments to contractors resumed, but the whole affair could only little relation to the bids. More and more, ministries are holdlog on to two or three of the lowest bid honds (one per cent of con-tract price) and bargaining for

a reduction in the price. Bids for the vast new campus for Riyadh University were npened at the end of May, but although a consortium of Bnuyues of France and Blnut of Alabama put in a low bid of operations finance. Hampered \$3.4bn, reported close to the U.S. companies may be worse off than their counterparts in consultants' estimate. the contract bas still not been awarded West Germany and certainly than their Far East competitors. and a Saudi-British joint venture and a German con-They are also hampered in that, sortium are said to be still in apart from the large companies the running. like Laing, Wimpey and Tarmac International already well established, they suffer from a

Although the chances of the Government calling either the 10 per cent performance hond the advance payment guarantee are minimal — no performance bond has even heen held since 1975 - payments delays and international currency fluctuations, which have particularly affected West German and Japanese companies, have made contractors acutely conscious of the need

Some of the perils of Govern-meni contracting were shown in mid-November, when King mid-November, when King Khaled returoed from convales ence abroad. The sudden an-nouncement of a three-day holi-

day, so soon after the Pilgrim-

hotel contract was re-scheduled

Against this, foreign contractors can count a radical improvement in the supply of cement and construction materials and, after the panic the summer clampdown, in the labour market.

With the clearing of the congestion at the ports through 1977 and carly 1978, cement has become much cheaper with the large Saudi merchant houses turning increasingly tn hulk imports. Hishsm Alireza's Arabian Bulk Trade intends to Stahl is due to be signed very shortly. At the same time, the large U.S. project managers, Aramco in the Eastern Pro-vince, Ralph M. Parsons at

bringing order to the regional industry.

With the announcement of a clampdown on the illegal labourers in May, a large proportion of the labour force immediately went "under-ground." Building workers became scarce and expensive and day wages climhed from about SR 35 to SR 85 in Jeddah. But with the successful legalisa-tion of about 110,000 labourers and the influx of more, and legal. Yemenis because of the unrest in South Arabia, rates fell to SR 50 for regular workers and SR 65 for casual workers.

In the coustry, the soft bonsing loaps available from the Real Estate Development Fund continue to have an impact in encouraging private house huilding and a Yemeni huilder working off the main road can carn anything up to £ā0 a day.

For contracts over \$30m in value, contractors must ba responsible for importing their own labour, and countries with a ready supply of cheap skilled labour, particularly South Korea and Taiwan, have dune extremely well. Korean con-tractors have profited from access to Government guarantees and domestic experience of plan. But it is the quality of the labour that is crucial. Eighty per cent of the 30,000 Koreans in Saudl Arabia have done military service, and their discipline and conscientiousness remains a continual source of wonder tn Saudis and foreigners.

Sophisticated

While two years ago the more complex construction jobs

jects in 1979 may experience some delay. The causeway to Bahrain, for example, seems to involving sophisticated plant and machinery might have been awarded to companies from the have been relegated to a fairly world. low priority. Other major pro-jects expected shortly are the industrial Korean, Taiwanese, Indian and Pakistani companies have shown them terminal buildings at Riyadh selves capable of undertaking airport, Riyadh University, a electrification schemes. As such palace complex in the Eastern basic infrastructure work as Province called Sunrise City and roads. bridges and housing gets towards the end of the year a under way, Korean companies in great deal of infrastructure particular are looking to the work at Jubail and Yanbu. future, and the Korean Overseas Construction Corporation, which many of the housing and site represents the Korean industry, clearing projects have been has set up an office in London broken down to give opportunito look for European joint ven- ties to Saudi contractors as part

element in a consortium led by by giving them precedence in Kraftwerk Union bidding for the the execution of Government Al-Khobar 11 desalination plant. work." At Jubail, for example Apart from the \$2hn housing companies 90-100 per cent Saudi work, which includes provision owned received SR 176m in ork, which includes provision owned received SR 175m in f services (in contrast to the awards in the first eight months almost certainly disastrous of last year. While Saudi com-Jeddah and Dammam housing panies may not be in the running for any of the major Royal programme now under construc-tion by French and Dutch companies), the Koreans are also picking np a great deal of work from the U.S. Corps of Engi-neers, which is managing con-struction for the Ministry of Defence and Aviation and the National Guard. The corps has about \$5bn in work under cootract and another \$4hn approved chiefly in housing at the military cities at Tabuk and Hafr Al-Baten, which together

be added this year, may eventu-

While contractors agree the there is little mr no delay in

hospital building-other big pro-

At the industrial complexes,

ally cost over \$25bn.

ture partners for more complex of the projects. Hyundai is already in- Prince

volved in providing the labour encouraging Saudi contractors

Commission projects. for example Jubail Airport, or for the heavy industrial facilities still some way away, they are likely to find increasing opportunities in support construction. In fact, 1978 has seen consolidation of the local industry after the housing boom three years ago. Flerce competition

Government policy, in Fabd's words "of

17

has driven many of the smaller contractors out of business, and construction standards have imwith its supply port at Ras Mishab, to which four berths will proved out of recognition. Speculative building has all but stopped in Jeddah-the Mayor has vowed action on the 50.000 empty apartments in the citybut housing and office construcawards or payments for defence-related work—and that includes tion is going on apace in Riyadh and the Eastern Province and

a great deal of school and around the military cities. With the prospect of an increasing role for Saudi companies, many foreign companies here feel the "finalists" are already established, and any new contractor outside bigb technology areas is likely to find it an uphill struggle. Competent Saudi agents or joint venture partners are proving harder to find, and any new comer would be likely to lose mut on its first contract. Although there might he hetter prospects on subsequent orders. losses in Saudi Arahia tend to he as large as possible profits.

James Buchan

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Labyrinth CONTINUED FROM PREVIOUS PAGE

be seen whether the new cover . annum ... on the bond amount, will prove more attractive to plus the cos tof the basic ECGD contractors. The provision of bonds or requisite.

may be required first to support almost invariably encashable blds, for which the bond per- "on demand " and witbout concentages range from-1 per cent testation, irrespective therefore for Government contracts in of the performance of the coo-Saudi Arabia to 5 per cent in tractor. Although the risk of a Iraq, secondly as security wholesale calling of the bonds against advaocc payments, must be slight, the well-known which are generally around 20 but ooly example being that of per cent of contract value, and Colonel Gaddaffy In Libya in

tee wording that seeks to exclude the effect of any injunccredit insurance which is a prebank guarantees remains a Additional risk, however, lies major problem for many UK in the wording of such bonds, contractors. Such guarantees which in the Middle East are

tion or garnishee order issued by a UK court, thus imposing a condition with which no UK bank can comply. They have therefore been forced either to follow the example of American banks (which are not permitted by U.S. law to issue bonds) and issue stand-by letters of credit, or in one instance to involve an totermediate hank outside the

Further risk, and an addi-

confirm the doubts of foreign import 1m tons of Japsnese banks over the excessive risks of Saudi contracting. And with local hanks mainly occupied bulk cement in 1979. Considerable domestic capacity for construction materials is planned, notably an 800,000 tons a year with trade financing many con-tractors are obliged to resort direct reduction steel mill for to the international capital which an agreement with the market both for the bonding and West German company Korf

> Yanbu and Bechtel at Jubail, are playing a large role in the procurement of standardised materials, which seems to be

tbirdly to guarantee, perform- 1969-there is evidence that emance of the contract as a whole, for which bonds of 5 per cent or 10 per cent of contract value of the "on dema are most common. Bonds ta bargaining weap secure the release of retention tractual dispute. monies or to guarantee warranty obligations may also be Protection such guarantees are provided Most export credit schemes almost exclusively by hanks, now offer protection against the which issue them only against "unfair" calling of such "on the security of the counter, demand " bonds—the ECGD indomnity from the contractor scheme for example costs 0.50

party. But since the asset bases of insurance again being a pre-many companies have not in- requisite—but the value of the creased at the same rate as con- cover is difficult to assess in any difficult to assess in any tract values in the Middle East, dispute over the contractors contragers have found it in performance. Lloyd's Undercreasingly difficult, without outside support, to obtain adequate contractors of all nationalities, bonding facilities from their but their policies provide for bankers Such support - bas, - reference of disputes to indehowever, been forthcoming in pendent arbitration in London. the UK from ECGD, which is

more generous view of a con-tractor shalling sheet and his ability to perform the contract." The exporter's counter-indem-nity is given to ECGD, which issues its own indemnity to the bank, which is thus enabled in turn to issue the bond. This support facility is, how-

ever, available only for cash contracts with Government buyers, with a minimum con-tract value of £500,000; it is not available for contracts on credit

terms, such as are commonly found in Algeria. Egypt and parts of the Gulf. Contractors also complain, operating as they do on the slimmest of margins, at the cost of bond support, which is 1.25 per cent per

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Colonel Gaddaffy In Libya in tional strain on bonding facili ties, results from the pratice of many countries, notably Syria, ployers in the Middle East are increasingly aware of the power which specify either a very long of the "on demand" bond as a bargaining weapon in any con-(say ten years) or indefinite validity for bonds, irrespective

or another acceptable, third per cent per annum on the bond value, with underlying credit

performance: Lloyd's Under-writers offer similar cover to In the few cases where UK preparent fo take a necessarily exporters have challenged the calling of an "on demand" bond, they have done so by obtaining an injunction against the UK bank preventing it from

fulfilling its counter-guarantee to the local bank who issued the bond. The cases of Edward Owen Engineering in Libya and R. D. Harbottle in Egypt are two prime examples in recent

years. In each case, bowever, the banks successfully appealed against the injunction, which now can only he regarded as a delaying tactic. In fact one result has been

that since November, 1978, no UK hank has been able to counter-guarantee any Libyan bank, as the Libyan Government has specified a counter-guaran-

of any expiry date stated therein. Similar liability periods may be imposed by the laws of Egypt and Saudi Arabia for the design and safety of construction work as a whole. Where disputes arise, contractors face certain difficulties as contracts in the Middle East

are subject to both local law and local arbitration. Few contractors, for example, feel at ease with the Moslem Shariah Law under which the Saudi Grievance Board operates, although its decisions have generally been regarded as equitable. Another difficulty lies in the Kuwaiti Code of Civil Procedure, which provides that arbitration awards should be made within a three-month period, unless the parties agree to an extensions; at least one UK exporter has found himself time-harred, with his Kuwaiti

employer refusing an extension. There are two continuing features of contracting in the Arah World which compound all these prohlems. First, in order to cope with the vast size and complexity of major projects, for which the management capability is still rarely found in the Midde East, it has been found necessary to form consortia or joint ventures, which in themselves, imposed on their constituent members joint and several liability for the total project.

UK contractors, with some notable exceptions, have generally been either unwilling or nnable to accept such risks as the insolvency of their partners or their failure to perform. Although ECGD introduced two schemes iotended to cover these risks - project participants insolvency cover for contracts in excess of £50m., neither has yet been used, heing regarded as inadequate in scope and too expensive. Secondly (and associated with the first point), it is fre-

quently necessary or expedient to form a local company in partnership with a local conractor or investor. Where the UK company has a minority ahareholding or otherwise lacks effective control, it not only runs all the risks implicit in being controlled by a pariner who is likely to place his own oational joterest first, but it may also be deprived of all ECGD's protective facilitiea as a result. Whether ECGD is eventually able to compromise with such seemingly inevitable developments of nationalistic tendencies remains to be seen.

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the last year ensure that by it has a high annual investment 1985 Algeria will be one of rate. Europe's main energy suppliers.

who, despite the reputed diffi-culty of the market and the preconception that only the French can do business there, bave nology, such as that used in the been quick to recognise buge natural gas liquefaction Algeria's potential. Many, like plants being built on the their Japanese and U.S. counter-Mediterranean at Arzew and. been quick to recognise Algeria's potential. Many, like their Japanese and U.S. counter-parts, are attracted by a market

ALCERIA AND Europe are a population of 17m, oil, lished in Algeria, having built dependence can be mutually into light industry, social sec-destined to become important minerals and the world's fourth the first major LNG plant, beneficial and it is no accident tors and agriculture.

Local state companies are able to do much of the basic pliers. The significance of this construction work and use to development bas not been lost supply materials to foreign com-on many European contractors panies and to work with them development the reputed diffi-where possible. But they turn foreign companies for to foreign companies for expertise in advanced tech-Skikda.

Middle East markets may have peaked. Algeria is tha tenth largest country in the world and hig-ger than Saudi Arabia. It has the large amounts of finance required for these projects, are most active here, and it is nn-likely that European companies

likely that European companies will rival their predominanca. The U.S. Export-Import Bank (Eximbank) has shown strong interest in Algeria in the past year, providing loans worth about \$500m, one of which enabled Fluor, a newcomer to Algeria, to win the \$336m con-tract to construct the Al-Rar gas recycling plant. Another big contract in this sector, worth about \$622m, has just been

trading partners. The many largest natural gas reserves. Its Arzew 1, opened in February, that many Italian companies, major agreements to import development programme is But the strong financial back especially. ENI subsidiaries, Algerian natural gas that Euro-ambitious, providing opportuni-pean countries have signed in ties in almost every sector, and Davelopment Corporation un- two years to build textile plants, doubtedly played a part. Provision of finance is a

ARAB CONSTRUCTION VI

Algeria

Major energy projects

crucial factor in winning con-tracts in Algeria whose oil revenues are not alone enough to pay for all development. Revenues should gradually increase now that LNG is being supplied to the U.S. from Arzew 1, but they are not expected to be substantial until

about 1984. The sector of the oil and gas-industry in which Enropean firms bave had most success is in pipeline construction. This is a major item in Algeria because the oil and gas fields, are so far from the coast. The. Dutch firm Nacap, a member of the Bos Kalis Westminster Group, last year won two con-tracts, worth a total of about \$200m, to build two pipelines from the Hassi Rmel gas field to Arzew

Pipeline

chemical plants and houses. Fiat ia interested in the proposed Oran car plant, and Pirelli, with West Germany's Krupp, bas signed a provisional agreement to build a tyre plant. at Boulra for the state hydro carbons concern Sonatrach. West Germany is now

Algeria's second most important supplier after France and its position is bound to strengthen now that Dautsche BP has joined those West German compaales who have contracted to buy Algerian gas. Algeria, per-haps more than most developing countries, prefers to buy where it can sell, so it will be corres-pendingly keener to look to

West Germany. West German companies are most activa in the mechanical industry, where they have a virtual monopoly. The last important contract in this sector to go to a West German concern was awarded in 1976 (to Liebberr for a construction Salpem a subsidiary of Italy's equipment manufacturing plant stata holding company Ente at Ain Smara). but there Nazionale Idrocarburi (ENI) is were many earlier ones. to build the 550km Algerian More recently Demag, in section of the huge Algeria Italy: a consortium with Japan's natural gas pipeline. The Kawasaki Heavy Industries and natural gas pipeline. The Kawasaki Heavy Industries and decision, in October, 1977, to go: C. Itoh, won the contract to ahead with this project, in itself. extend the El Hadjar steel works,

The steel and construction a major feat of engineering, ls. perhaps the single most significant development in materials' industries now receive the next biggest slices of invest-Algerian-European relations in ment, after the oil and gas the past two years. When com-pleted in 1931, the pipeline will be an irrevocable link between industry. There are two major sheel projects—the Jijel steel-works, involving a port and rail-way and a larger works planned, the two since it will supply not possibly at La Macta, for which Nippon Steel and Bechtel are doing studies. When these pro-jects go ahead will depend largely on the availability of the same time, to build a 630km fipance and on options in the 30-incb diameter pipeline from next plan, since there is now

tors and agriculture. Housing is one sector likely to benefit from a shift of invest-ment options. The Housing Ministry is interested in attracting foreign consertia who can offer package deals to build, in some cases, complete towns and who will work with local companies. A French group, the Groupe-ment Rhones Aloes d'Etudes pour la Construction en Algerie,

including architects, town planincluding architects, town plan-ners and civil engineers, feasibility of building 5,0,0 6,000 houses a rear. Eastern bloc countries, which do a lot of business in Algeria creating fierce competition for the West, bave also been asked to help with bouse building. There are also plans to build

more hospitals and universities. So far there are few UK con tractors working in Algeria, but there are some consultants, in-cluding Easans and W. S. Atkins, which recently won two contracts, to design the univer-sity complex and for an 800-bed. teaching hospital at Themen. Lack of nowledge of Algeria has deterred many UK com-panies, which have tended to regard it as a French preserve France still bas many contract contracts there, but its share of the total has fallen as Algeria has diversified its commercial relations Thare are certainly difficulties for non-French speakers, but companies with sufficient determination get round, them and

the problem has not trightened. the Japanese. Most big contractors find that it helps to maintain an office in Algiers. This can be expensive but is a good way of keeping abreast of events and ensuring a steady flow of work. It makes it easier to obtain notice of tenders-published in the national

Press-to maintain contacts with the state companies and to. handle bareancratic difficulties. Margaret-Greenhalgh

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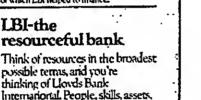
only Italy but other parts of Europe through a connection with the European supply net-work from north Italy. Saipem was awarded another contract at-

International Corporation of the In Amenas field. considerable debate on whether the U.S., which is well estab. Italy bas seen that this inter...more investment should be put

Libya

ment, to be awarded last year went to Canadian Bechtel. The scontract, worlb an estimated \$626m, is to develop the Rhourde Nouss gas field. The company probably benefited from its links with Bechtel

an pure of a major developm win Elecuniva



Serious labour shortage

about \$622m, has just been awarded to Japan's Ishikawa-jima-Harima Heavy Industries (1HI) and C. Itoh for a 4mtonnes-a-year liquefied petro-leum gas (LPG) plant at Arzew, But the U.S. and Japan do not bave things, all their own

Skills in major project financing

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throw of monarchy in 1969 the Libyan leadersblp has pushed ahead with development of this vast but underpopulated North African country. Often the pace of change has accelerated past the point at which it can be properly absorbed by the economy.

With £13bn allocated to be spent on the 1976-80 development plan, international construction companies were quick to take advantage of the rusb for development. Yet even those most familiar with Libya still keep a wary eye on the possible effects on themselves of Libya's brand of Islamic socialism. The arbitrary calling of per-

formance bonds by the Govern-ment in 1969 has inevitably made foreign companies nervous. This, and subsequent wrangles over payments, bas made some contractors hésitate before tendering. The impact on British companies has been particularly severe, although there was a breakthrough last year when the McNeill Group won a £21m contract for bousing construction south of Tripoli. British consultants, on the other hand, have always been well represented.

Continue

revolution, promised to resign bis post last December. He and senior colleagues, however, will continue to guide the country'a fortunes. In the future, as in the past, it looks inevitable that political, economic and social development of Libya will be stamped with Col. Gaddaffi's

views. The Libyanisation of foreign companies has loog been a motive of government policy. The first section of Col. Gaddaffi's "Green Book" outlines his plans for direct, if in effect heavily controlled, democracy. The second part of

the book, now being imple-mented, concerned itself mainly with economic policy. Its publication last year sounded the death knell for private enterprise within Libya. Since last September workers' committees have rapidly taken over private as well as public businesses. This has hit international companies engaged on specific contracts, but their own ventures have not been taken

In the first few months of Japanese consortia headed by marches and officially inspired Mitsui and Marubeni, and C. Itoh workers' committees, industrial respectively. They, face compeworkers' committees, industrial respectively. They face compe-anarchy was predicted. The tition from West Germany and more doleful warnings have not, Austria. so far, come true. The takeover by workers is being carefully and petrochemicals have rapidly

brought back to sort out the subsequent confusion. The worker's takeover is now

simply shifted their three

Department in Britain is becoming more sympathetic to con-tractors seeking backing as the extent of the takeover becomes apparent. Developing But over the last year the major contracts have been for

The financial future of Libya infrastructural projects. Babwas also looking rosier by the end of 1978. In the first balf cock AG and Budimex of Poland won a \$500m contract for the construction of Homs power station near Tripoll last Jan-uary. Bharat Heavy Electricals (BHEL) of India, already build-ing Tripol West power station. of the year the world oil glut hit oil exports. In the first six months there was a total drop. in Libyan oil exports of 45m barrels compared to the same period in 1977.

has recently woh another con-tract, for a 600 MW power. But company stockpiling to guard against the expected OPEC price rise at Abu Dbabi, station at Zuara. the Saudi limitations on the of a \$1.5bn deal betwen New sale of their light crude and, Delhi and the Libyan Governin the last quarter, the strikes ment. The Libyana have always favoured developing countries, for such bilateral deals. Turkisb companies are doing a sweeping through the Iranian oilfields pushed up demand for Libyan crude. As a long time OPEC bawk Libya was pleased, if not aatisfied, by the the 14.5 number of contracts, although intermittent Turkish inability to pay for Libyan oil exports per cent price increase agreed in December. Nevertheless in the first I1 months of the year hes. relations. oil production was down 5.2 per cent on 1977.

Construction up to 1980 will be limited, as in the past, by incapacity to absorb investment. The total Libyan population, including foreign workers, is only 2.6m and, given the low average age, many of these bave yet to join the labour force. In the immediate future the emphasis is more likely to be on infrastructure as industrial and agricultural projects under con-

struction are completed. Most agricultural projects are already underway but only last July ITL-Italiana Lavori and Food Devalopment Corporation of the U.S. won a \$125m turnkey contract for well drilling and reclamation. In the past the Yugoslavs have been particularly successful in winning contracts in this sector.

In industry there bas been a strong emphasis on food pro-cessing. Plans for beavy industrial development have been more tentative, and an agreement with Yugoslavia to build a large aluminium plant is still being discussed.

Bids for the \$1bn steel plant at Misratah bave already been called for. Bidders for this plant, with a capacity of Im tons a year, include two major

. Inevitably the oil industry. monitored by the government. expanded over the last decade. In some cases managers have From no oil refineries in 1970. lost their jobs. In others they Libya now has six and another

responsibilities or have been mash, West Germany is building, those with small populations. a \$500m complex which is to In Libya the shortage has been apport chemicals. A nirea exacerbated over the last 18 fertiliser plant has been commonths by the departure of so pleted at Mersa al-Brega and many Egyptians with the growth being viewed a little more pleted at Mersa al-Brega and many Egyptians with the growth-optimistically by companies, within three years an ethylene, of hostility between Tripoli and The Export Credit Guarantee plant should be finished. Cairo. Thère has been an influx of

Tunisians to make up for this exodus, and last year the total inflow from Tunisia may baye been as high as 50,000. Pakistanis- and Indians have also been increasing in number. The sbortage of niskilledlabour can be solved. The per . ever, of how to acquire skilled workers or office staff and clerks. Tha number of Libyans suitable, trained and willing to work is limited by the low popu-lation. Indeed the situation is lation. Indeed the situation is being made worse by the general. call-up for the army of those under 35. Many will receive additional training in military service but this does not help those coping with the immediate.

problems, The system of exemptions is The system of exemptions is proving inadequate, and Libyan technicians, scarce enough at the best of times, are tending to disappear, into the army. Nevertheless, the element of sometimes bedevilled Italy remains the biggest source of exports to Libya but "lheatre" and confusion sur-rounding the new moves should not conceal Col. Gaddaff's

source of exports to Libya but rounding the devaloping states do have not conceal. Col. Gaddaff's one in-built advantage. The understandable aim to fry to chronic shortages of iabour, prevent Libya becoming a caste particularly skilled or semi-society with foreign labour skilled, gives a big advantage doing the work, while Libyans to those who can bring their do very little. Whether such labour with them without a policy can be successful in greatly raising the price of a country where GNP per bead is over £4,000 is another matter.

Such a labour shortage is typical of most of the Middle Patrick Cockburn

This Indian contract is part





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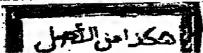
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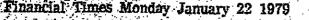
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Officially, Col. Mnammar Gaddaffi, the leader of the 1969



ARAB CONSTRUCTION VII

Kuwait Still bustling

ALTHOUGH THE construction

15. 35 1818

boom went bust in the lower Gulf, Kuwait, its skyline punctnated by huge cranes, still looks like one vast construction site, with work on some projects going on around the clock. There are some pessimists who predict an imminent slowdown, but most people directly in-volved in the industry see merely a levelling of activity or a temporary pause to catch up with and assess the economic impact of projects

lraady under way. Competition for contracts is sublevith the South Koreans, the attrent blue-eyed boys, be-loved of both Kriwatt clients and Weatern design consultants, Jealousies abound, the current rumour being that the Koreans' bids on projects are subsidised by the U.S. Government because they are the American "Fpreign Legion", expected to protect the oilfields if anything untoward should occur. The Koreans blame competitors or the North Koreans for these

UK construction contractors UK construction contractors bave, been, reluctant to get involved in work, although UK, design consultants have been quite successful. Construction contracts are for fixed prices end require a 10 per cent per-formance bond which technically can be called almost on whim According to one diplo-mat; bowever, a performance bond has obly been forfeited once and that was when the contractor literally walked off the job and left the country.

The Kuwaltis' attitude is thet they are not interested in the bond. They are interested in getting the work done and they bend over backwards to: get that taken care of," he said. This, he added, includes early payment to companies with cash flow difficulties and extenslon of deadlines. "The bottom line for them, is the job. They don't need any more money." A UK consultant said that UK contrectors seem to bave an "irrational fest" of doing busi-ness in Kuwait. "I think they have had problems in other parts of the Middle East and

aret Gran

age

ME

. . The main problem for the contractor is the labour short-age. Since Kuwaitis form less than half the population, the Government is anxious to limit immigrant labour. Its policy is that the contractor on Govern-ment projects must import his labour, house it and send it bome at ibe end of the cona \$45m water pumping, hlending tract, and storage project to handle the water produced at Doha.

The Koreans, with a large, skilled, well-organised end lowcost labour force, probably benefit most from this policy. They entered the market in 1976 and within two years had \$500m of contracts. There are now 17 Korean construction companies in Kuwait, with 9,500 workers. Last year they got \$500m io contracts.

Preference

boilers will he tendered But even the Koreans fear for the future of the inter-February 1980. national contractor in Kuwait. An official of the Korean trade mission said that the Kuwaiti Government is increasingly showing a preference for locel over international contractors. A Kuwaiti architect said the Government is under pressure to pusb international confrectors into associating with local con-cerns in joint ventures. "My prediction is that within two years it will be very hard for international contractors to estimeted at KD7m. come and work here using a Kuwaiti as just an agent," he said. "There will be some restricexpects

tions on that." The Government's develop-ment hudget for 1978-79 is KD 390m (close on \$1.15bn), 1 per cent less than last year's KD 392m, but considerably less when the country's inflation rate of 30 per cent is taken into account. Only KD 68m of the budget is for new projects and 63 per cent of that is for the large power and desalination projects of the Ministry of Electricity and Water. The Kuwaitis are already the world's No. 3 per capita energy consumers.

The Electricity and Water Ministry is now reviewing bids for six of the eight turbines and look at standard agreements six of the eight bollers for the Republic of China and a here and get scared off," he con- Doha West power/desalination few months later received a cluded.

\$3ā0m for the bollers and turbines. Civil work for the project is out to tender now. Uoder discussion is the possi-bility that the Chinese will cooatruct a lerge housing pro-The tender for the first four of the 16 6m gallons/day (mgd) desailnation units will be issued by February with the others ject in Kuwait. According to one Kuwaiti official, "This is the first time they will do something for a country and get paid for it." coming at about six month intervals. Under tender now is

NHA has been reluctantly handling development of the idea of the new town of Subiya, to be situated near the Iraqi Also coming up this year is the Shuwaikh power and water border. Shankland Cox Pertner ship of the UK has completed a production station project to replece most of the 2ā-year-old Shuwaikh facility. The old plant will get four steam tur-bines totelling 400MW and nine decili units telling for the state of the state o final planning report on the town--which is eventuelly to house 500,000-and the concept has been epproved by the Government as part of Kuwait's national planning strategy. However, the go-ahead on more detailed plans hes so fer not deselt units totalling 54 mgd. Tenders for the Intake and discharge facilities are to be issued by May and tenders for the dismantling end demolition work by June. The turbines and been given. causing some local urhan planners to worry where Kuwait will house its burgeonboilers will he tendered by June and the civil work by ing populetion, which pected to at least double by the year 2000. Construction on the The major projects depart. first district of the major projects depart. first district of the major projects depart. first district of the major projects depart for Subiya could conceivably ment of the Ministry of Public of Subiya could conceivably ment of the months of the start considering bids stert within 18 months of the start of bandle Works is now considering bids for construction of Kuwait's answer to Disneyland, with an Covernment agency to handle

Italian group the low hidder at †62.3ni. Out for tender now is the State Mosque, estimated at Design

the project.

KD12m. In e few months there Kuwait's municipality, the will be a tender for the Minis-try of Planning complex, land-use planning hody for the country, is involved to several urban development large The motorways section of the schemes plua a \$216m project Ministry has under construction to develop 21 KM of Kuwait City's waterfront. KD80m of Phese one of the Kuwait motorways system and Arthur Erickson, Architects of Caneda, hes just signed a

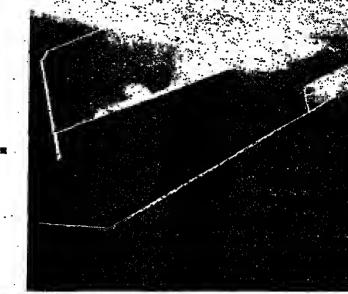
expects to award another KD17m in contracts for the design contract for en urhan system this yeer. Deleuw Cather et Fintas, halfway centre International of the U.S. has just submitted its design studies Kuwajt City and hctween Ahmadl, which is to become the and conceptual design of the second largest urban centre second phase of the project. It is divided into five parts, totalafter Kuwait City. Eestimated construction cost is over \$1.2hn. ling 115km and estimated at Probably the biggest project \$375m. The Ministry will eventuelly be looking for in the private sector is the \$252m residential/commercial designers for the separete perts. complex designed by I. M. Pci end Pariners of the U.S. with the Kuweiti Engincer's Office Housing Authority (NHA), which prohere for the United Reelty vides housing for lower to Company. There are numerous averege income Kuwaitis, will Averege income Ruwalus, whi contract for construction of 5,000 to 6,000 units this year. About five months ego a Housing Ministry and NHA delegation visited the People's Republic of China and a other residential and shop/ office complexes under design. although one architect wonders what is going to happen when the 4,000 or so shops now under construction are completed.

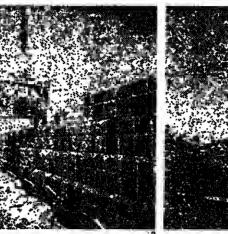
Leslie Ann Mitchell

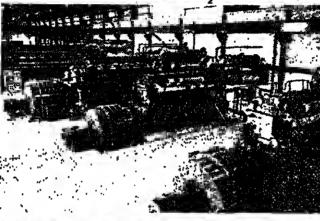


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1. Aerial view of 66-berth deep water harbour under construction at Jebel Ali, Dubel, and

- 2. Placing a 45 tonne precest block to the herbour wall.
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Jordan

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Nationel

Activity at peak level

demand for new housing and yet finalised, however. the implementation of most of the large scale development and infrastructural projects in the current five-year plan now dominate the construction scene in Jordan. As a result there is a rush to increase local cement production and a proliferation of new import-substitution industries catering for the still booming construction sector.

the peak implementation period several thousand low end for the plan's many large medium cost housing units projects notably expansion of every year. the port of Agaba, the potash and chemical fertiliser projects. Speculation the new Amman International Airport, the massive Jordan. The feverish prost Valley agricultural end housing projects, expansion of phosphate production facilities, a. series of rosd and public bous-ing projects, the new Yarmouk University and the King Talal Dam water delivery system, to mention only the largest.

These Government-financed achemes. coupled with a continuing high demand for private housing, has caused demand far to ontstrip production capacity of 500,000 tonsist the country's ons per day kilns to bring fotal capacity by 1982 to 1.65m tons, which even then may not meet. local demand

In the next two years, the cement company, which enjoya a Gavernment-protected mono-Europs. Plans to build a second 30 per cent of all commercial Portland cement plant in the bank credits, a bigb amount by south are approved but the 1m any standards.

standing loans at the eod of 1978. Even without the Housing poly on producing and import- Bank's JD 60m in outstanding ing cement, will import 600,600 loans (about \$190m), construc-tons of cement every year from tion and real estate account for

tons a year plant is supposed to The most significant trend be geared exclusively to exports within the housing business in to Africa. Its defailed construct Jordan today is the slow shift



The housing market continues to be the mainstay of most of the small and medium-scele Jordanian contractors. With its peculier demographic structure, the young Jordanien population will require at least 20,000 new bousing units per year for the next decade, most of which will be built hy the private sector, although the At the beginning of the semi-autonomous housing cor-fourth year of the five year poration is also now reaching plan, Jordan is now almost at, its anticipated rate of building poration is also now reaching

The feverish growth rate of the construction industry that was tied to the land speculation rush two and three years ago hes settled hack down into what imported from Maleysia. is, for the Middle East, a more normal growth pattern, but a high growth rate if compared to the rest of the world. Cement demand, for example, is rising at the rate of 15 per cent every year, while commarcial hank credits to the construction and

real estate sector continue to grow by at least 10 per cent of 500,000 (torsist the country's grow by at least 10 per cent sole Portland oppend that every year, despite recent Fubers, north west of Amman. central bank monetary inter-Thus the Jordan Cement Fac. vention to dampen loans to this tories Company, has entranked sector. If the lending activity on a two-stage, estansion of the state-backed Housing project, building two new 2,000 Bank is computed into the sectoral distribution of bank credits, the real estate and construction aector accounts for a very high 40 per cent of all out-

deliveries.

tended to belp prices of con-struction materials to stabilise after four consecutive years of rising costs for contractors. In some cases, such as locally produced paints and tiles, prices have started to fall slightly in the face of increased output and competition. Some new construction tech

niques and services are also gradually being introduced into the market, such as the use of precast concrete elements and methods, especially for hotela, and ready mixed concrete

The cost of labour has also stabilised, and the shortages of skilled and engineering peraonnel of the past three years heve largely disappeared. This has been dua to inexorably rising wages—which have trebled in many cases—as well as the return of increasing numbers

of Jordanians from the oil producing Gulf states because of the continned influx there of sian labour and the slow drift

of more and more construction industry personnel from the staguant economy of the Israelioccupied West Bank, The ralatively advanced state of the construction industry in

Jordan, when compared to the rest of the Arab world, is demonstrated in the recent decision to make Jordan the

A CONTINUING high rate of tion plans and schedule are not from expensive de luxe quality second Arab member of the housing into the more sought Euro-Internetional Committee after low and medium cost for Concrete, the world's leadfor Concrete, the world's leaddwelling. There is a surplus of ing body for setting internetionde luxe honsing in the capital ally recognised codes of prectice for the construction industry. of Amman, and a shortage of lower cost accommodation. Lebanoo and Iran are the other The continued high demand two Middle East members. This

for housing has spawned a international link-up corres-series of new local industries ponds to the three-month-old drive in Jordan to formulate a catering to the constructioo sector. Most notable of the new whole series of national codea of practice for the construction companies are ones to produce precast concrete housing aleand contracting professions. In ments, bathroom and kitchen tiles and porcelain and ceramic most cases, local contractors adhere to the code of the Arab fixtures: aluminium windows Federation of Engioeers or and doorframes, wooden door European or American codes, sets, galvanised small-size steel although the need for a local set

pipes and plastic electric con-dults, steel radiators and lime of guidelines is badly felt. Severel large contracts will be and silicate bricks. Also coming awarded in the coming two years, including the refinery for the potash project, the civil and on to the scene soon are an aluminium extrusion plant, a glass plant, the new cement mechanical works for the Agaba fectory in the south and a wood chemical fertiliser plant, Yarisctory in Agaba using timber mouk University's civil works, the Maqarin Dam civil and

The relative drop in reliance mechanical works and the on imported materials and the remaining civil works for tha rise of local production has new Amman Airport.

Share

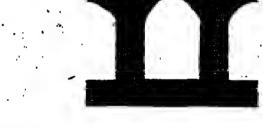
If the pattern of recent years is any guide, companies from South Korea, Jspan and Taiwan are expected to cootinue win-ning a hig share of the contract-

ing husiness In Jordan, especially for jobs with a pressing time element to them, while major international contractors are still needed to carry out the prefabricated housing, tunnal- complax design and contracting type framework building work for these big jobs which Jordanlan personnel heve not had enough experience with to date

> The most recent blg contract to go to a foreign contractor was the \$111m joh for tha civil works of the potash scheme, whose \$24m township project is being built by Shio Seung of South Korea.

International contractors will find a more competitive market in Jordan in the next few years, with fewer of the jumbo contracts that have attracted contractors in the oil producing states of the Middle East in recent years. It looks as if the domestic housing market will offer more work for Jordanian firms in the next decade, with relatively less consulting or contracting services required from abroad.

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10,387 Total Assets 19,193

ARAB CONSTRUCTION VIII

United Arab Emirates

A builder's dream no longer

TWO YEARS ago the United trial installations are either Arab Emirates (UAE) was a already underway or completed. builder's dreamland. Every In Duhai, which was once the week multi-million dollar con- top Arab market for British tracts were announced as contractors, some £3.6bn of con-Federal and Emirate Govern-tracts in the town and at Jehel ment development budgets All are in progress, of which UK ment recorded annual growth rates of nearly 80 per cent. Compared estimated two-thirds. But many with other-and sometimea are due for completion within wealthier --- neighbouring countries the UAE offered a less have already been completed. hazardous environment commercially and a more pleasant or less ready to hand over, and place to work in for contractors .its builders, a joint venture of who wanted a door to the large market of the Middle East. Today many of those com-panies are now thinking of pack-

companies account for an the next two years and many The dry dock in Dubai is more Costain and Taylor Woodrow, are talking of a reduction in their presence from a peak of 250 British engineers to a meagre 55 by August next. Bernard Sunley, huilders of the ing their bags. Some have already left, particularly those wbo came for one contract, Duhai Trade Centre and other prestigious projects for the ruler, Sheikh Rashid, are also looked around afterwards, saw no prospect of other work and headed for bomc. The reason is simple enough. The ports, airports, roads and large industalking of a cuthack in staff of

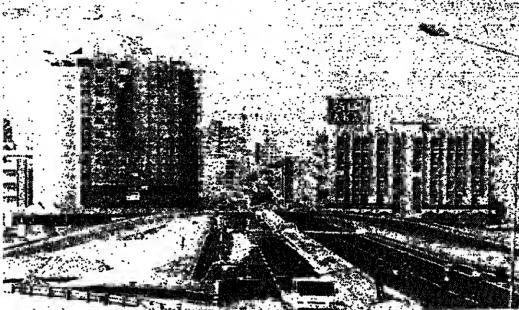
50 per cent of its former level. They are fortunate enough to ave found work in the capital, Abu Dhahi.

British trade officials advise that unless an incoming contractor has at least one year's absolutely guaranteed work, then it may not be advisable to come to the UAE at all, for the northern emirates can offer little prospect of the traditional large-scale contracts as hefore. Even in Dubai when the Ruler recently offered a contract he was immediately besieged by work-hungry contractors. In the end he refused all offers, and gave the contract to a builder who was already engaged on point out, there were far too another project, hut where there was still a cash flow. In the emirates north of Dubai prospects seem even bleaker.

Decline

Another major reason for the decline in work prospects for contractors, is that besides the completion or near completion of major contracts, attentiou has now switched to the richer capital, Abu Dhabi. Yet Ahu Dhahi has always heen a more difficult market to penetrate and work in than Dubai. In Dubai work in than butan in butan in butan the British presence dates back over 15 years, and thus UK contractors were well placed when the boom began. Abu Dhahi is hy comparison a late developer, and the competition developer, and the competition more heated and internationally spread.

Partnership rules are also more stringent, for local trade laws dictate that each company should have at least a sponsor and that any partnership should be 51 per cent owned by Abu Dhahl nationals. The number nf suitable partners for prestigious firms is also running out, for the best and most influential local businessmeo have already been taken up. The Abu Dhahl market has also suffered from the same cuthacks in development budgets. Three months ago the executive council of the local emirate Government declared a moratorium on any new projects. The major infrastructure projects were already underway, and any new project would have meant an increase in immigration, an undesirable happening, it was felt in a society where local Arabs constitute only 15 per cent of the population. The Govern-ment earmarked \$1.4hn to finish off existing projects last year and a further \$2bn this Nor are federal ministries proving the bottomless sonrce of work they were two years ago, though the occasional medium-sized contract can he expected to filter nut. However, many contractors have made a conscious decision to steer away from work with the Government hecause of its tendency always tn accept the lowest bid. Such contracts, are also attracting bids from as many as 60 to 70 companies. As one major British builder put it: "I don't have the courage to bid in that kind of market. It usually turns out to he a waste of money and time, because I know they are looking for a cheap job, not necessarily a quality job." In recent months local and foreign contractors are "buying in." to provide themselves with work in what promises to be a lean period ahead in order to maintain a presence in Abu Dhahi. One local huilder tells of his latest offer for a contract which turned out to be the second highest hid. "And I didn't even include any profit in my bid-just enough to pay my overbeads during the work. The polential of the private sector in Abu Dhahi has alao been hit hy the property market collapse, and the subsequent ban on building of office and residential construction which was imposed by the Abu Dhabi government last December. The measure is part of the package to aid the establishment of a Danisb consultants last year. Real Estate Development Bank, There are to be 12 km nf which despite its name aims to bridges, over 10 km of causeprotect financially the ownera way, with a further 10 km of of existing buildings. There are access roads in Bahrain and 40 some 25,000 vacant flats in the km of access roads in Saudi city, and the new bank is Arahia. Customs posts will be designed to take over the majority of loans made to local investors by the commercial banks which have in the last announced was formed by Mr. which enabled the contractor to year turned very sour. The ban on the issue of new huilding permits now being enforced by the local municipality has thrown a number of local contractors in to panic. Many regard the ban as formal notification from the Govern-



Building work in progress on the approach road to the new bridge over Sharjah Creek

mated at \$7bn. Most of tha work:

in the future promises to centre.

the price of which was last esti- just gets to know what is mated at \$7bn. Most of the work coming. They don't normally

coming.

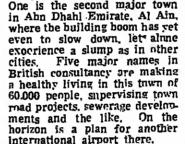
tractor.

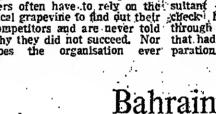
In the past too the company

ment that there will be no work on a development programme publicise its next projectin future. Others merely regard it as a formalisation of de facto building ban, for no banks were taking on new pro-perty investments anyway. The move by the Government

around the development of the. They have enough people ham-offshore Upper and Lower mering at their doors anyway," Zakum fields, which is going to commented nne ADNOC con-Zakum fields, which is going to cost around \$4.5bn. Ruweis, 100 has encouraged many of them miles to the west of the capital, to leave, mostly to Saudi Arabia, is also the major development. Already over 100 companies area in Abu Dhahi, where the have left but as economists Government is constructing a \$1.7bn LNG plant, a \$500m export refinery and associated many contractors anyway in Abu Dhabl: and the situation where port developments. builders were building homes for other contractors' workers tn live in had to stop. Abu Dhabi already has over 2,500 to become involved in these ADNOC programmes will tell registered contractors—one for every 100 residents. you that out of all Abu Dhabi clients, the national oil com-pany has proved the best. It is

Amid all this gloom, there are two promising avenues for work. One is the second major town Five major names in





hardly surprising therefore that

in view of the size of the con-tracts going the competition from international companies is

tractors whose experience qualifies them for a bid. Getting

Too many companies expect to see the top management in ADNOC, and become discour-

-one

aged that they are passed on to a lower ranking official. British - trade officials - have also criticised UK companies for making poor representations a comment which was passed on by ADNOC officials. The sales presentation often lacks simple elementary items such as brochures and a detailed description of previous work in the Middle East and the UAE. They tend to think they are famous and that that is enough, said one official

lengthy discussions

Yet dealing with ADNOC is

not as difficult as it is por-trayed, say British trade officials.

ADNOC - officials - are fairly

accessible to those companies wanting to make their sales

pitch, and they appear willing to listen to each one in turn.

technical points.

It is also advisable that a partnership with a well-known Abu Dhabian he entered into rather than securing a sponsor. For ADNOC will undoubtedly give preference to local joint ventures, Local trade regulations advertise, they don't need to, also require that the sponsor or partner must be of Abu Dhabi origin rather than from any other emirate Many Dubal based companies have found they have to start all over again in Abu Dhabi in securing partners and connections.

appears to have preferred to give an international flavour to. Yet British companies have the contractors who are working for it. So far there are already been able to secure a sport refinery and associated American, British, Italian, ort developments. French, Greek, Indian, Korgan Any contractor lucky enough and Japanese companies undersubstantial amount of work-on the ADNOC schames. The local partnership of Mowlem, Quebeisi Mowlem, is engaged Mowiem. taking construction and consultancy work on the schemes on a \$13m wharf at Ruweia; Unlike other Abu Dhabi clients, ADNOC works to the rules of FIDIC (Federation British Steel Corporation is to supply the steel for the jetty; Sir Alexander Gibb and Part-Internationale des Ingenieurs ners are the consultants on the Gonseils) in contract terms with bulk carrier port; at Habshan few amendments, and though payments may be up to six Capper Neill is engaged on a extremely fierce. weeks late, the delays are ADNOC rarely puts out a con- caused by the need for the tract to open tender, preferring chairman of ADNOC to sign to draw un a select list of con- every contractors' payment. small plant to process gas for stations. In the Zakum field development scheme Preece Cardew and Rider are the con-Companies have also praisedsultants for communications. ADNOC's thorough approach in network, and Ameron-Serete 15 on the list can often be an checking out companies bidding arduous task, for ADNOC is for work. One consultant bad working in conjunction with Foster Wheeler Francais on the ments and the like. On the ardubus task, for ADNOC is for why one constant and poster wheeler francas of the hor why is a plan for another notorious for its secrecy. Bid, an ADNOC management consistence international airport there. But the major client with local grapevine to find out their clieck, his experience, going generating sets for the Zakune vast potential is the Abu Dhabt competitors and are never told through preliminary drawings development. National Oil Company why they did not succeed. Nor that had been drawn up in pre-(ADNOC), which is embarking does the organisation ever paration of the bid, followed Kathleen Bisbtawi

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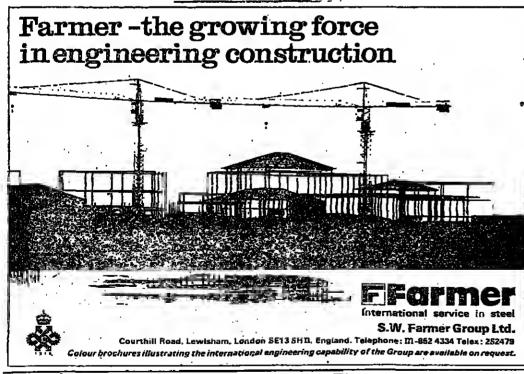
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Waiting for the causeway

WHEN THE idea of a causeway linking Saudi Arabia to Bahrain first became a serious topic of conversation in the Island, one Western expatriate wittily duhbed it "the Channel Tunnel project of the Gulf." During 1978 this witticism seemed to contain more than a grain of The issue date for truth. documents was retender peatedly mooted — and then postponed. The \$1bn project, which was to he financed entircly by Saudi Arahia, seemed to bave slipped an Saudi's list of priorities.

But the present disturbances in Iran may concentrate the Saudi mind and remind it of the original security reasons for linking Bahrain to the mainland. The more optimistic commentators in Bahrain are now hoping that tender documents will he issued, for pre-qualification bids, in February or Marcb this year. This event would not only inspire international contractors capable of undertaking such a massive work, but also local Bahraini contractors who might expect to pick up a few crumbs from whichever consortium wins the contract.

Competent

There is, for example, a pro-jected township for 5.000 workers associated with the 25 km causeway which a company such as Bahrain's United Building Factory, or some of the higger Bahraini contractora, would be competent to complete. It is practical politics to expect that whichever international consortium wins the major causeway work will have found it expedient to involve Bahraini

(and Saudi) sub-contractors or suppliers where feasible. Design work for the causeway was completed by the Saudi-

required as well as road interchangea and the township. The first consortium to be publicly Adnan Khashoggi's Triad group in association with the British companies Tarmac and Redpath Dorman Long. At least two hnwever, the client's patience other consortia are reported to ran out and there was talk that he being formed but rather

Games and again to he paid for by the Saudis), there is very little in the way of major new works in Bahrain. Work at Mina Sulman port is rapidly nearing completion, the \$30m gas gathering project is under way-the first contract of any size lo be wnn by a Japanese contrartor in Bahrain-the road works continue at an unexciting pace as does the multi-million dinar water and sewerage programme. Work is scarce and ome contractors are reported to be continuing work today

for guaranteed payment to-morrow (or the day after) in order to keep their men and equipment in use.

The main emphasis in the private sector, largely con-cerned with office, domestic and botel accommodation, is on renovation of houses and conipletion of office blocks started two years or so ago. Renovation work on the older houses (built the late 1940s and early 1950s), by companiea such as Projects, has often turned out to be both aesthetically and economically pleasing. It has

been found that spending a few thousand dinars on new windows, plastering and air-conditioning units can raise an

old bouse up to modern rental values. New houses are expected to cost around \$150,000 plus to build, and monthly rentals have dropped back to around \$1,400 as opposed to virtually double that two years ago. Bahraini landlords and traders have still not fully adjusted to the more modes post-boom margins.

A number of contractors and suppliers are known to be baying a very hard time, a few staving off bankruptcy on a dayto-day basia. There has been only one liquidation (not yet completed) of any size in Bahrain during the past year and that was semi-voluntary. The company concerned was involved in a number of contracts, but one Government contract proved to be bayond its management capabilities. In true Bahraini fashion a number of compromises were made

appear to be finishing the con tract while in actuality it was dance by another. At one point, the performance bond might be

more quietly. Apart from the causeway sought an injunction to prevent

project, and possibly tenders for the bond holder from paying on growing rapidly—at over 3 per the sports complex at Isa Town call—and everyone waited to cent a year—and the old style (big enough to host the Asian see what would happen. Nothing of living three generations to a díd. house is giving way to the

Banks in Bahrain have had to nuclear family. The Housing practise the art of doing nothing, Ministry bas hoped to construct, or at most very little, on a some 2,000 housing units a year, number of their real, estate but this has not always, been loans. There are no long or possible. medlum term lending institut. A major beneficiary of tlons in Bahrain (the Offsböre the Government's housing Bank Units (OBUS) can only programme is the 60 per lend to local horrowers with cent Government-owned United Building Factories (UBF) which uses the Camus pre-cast specific Government permission), so developers have had building system. The company, at present is finishing 500 houses and 150 flats at Isa Town. to borrow from the commercial banks with the maximum borrowing term being seven years. In some cases this is going to and is midway through the have to be seven years twice in programme, for another 300 succession as costa have esca- houses there. It is on the point lated and prospective returns

of handing over five schools to the Public Works Ministry and dropped. A classic example of this prois working on a number of welfare buildings blem is the Diplomate Hotel project being built by Hyundsi, where the capital has virtually on a throughput of 600-700 been doubled since inception and two substantial loans-largely from Kuwaiti institunouses a year, a minimum which the Government has half promised to supply, and it is tions-have had to be organised as well as a small Government stake. The loan terms are fairly tough a large housing programme as the Bahraini population is

now seriously setting about pre-qualifying for contracts in Saudi Arabia and Abu Dhabi. ough. The Bahrain Governmant has mainland would be a great help. **Doina** Thomas

UBF believes it can be viable

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ARAB CONSTRUCTION IX

Iraq

ser Long-term potential

27: 22 ISIS

The long-term potential of forward towards development Iraq cannot be questioned. Its using the new oil revenues after nopulation is now 12.3m people the 1973-74 oil price rises. population is now 12.3m people the 1973-74-oil price rises and oil production is planned Ports became congested. to rise to 3.5m barrels a day Bortlenecks developed. Every-by 1980. The size of its nil where there was a chronic lack reserves are uncertain because of skilled manpower. Ambilious than Iran's.

Government in Baghdad since its steel plant close by. it took power in 1968. Initially The 1976-80 development it faced a series of attempted plan was delayed as the Iraqi coups. Then from 1973 on it leadership tried to reorder had to cope with the final their priorities. They are now Kurdish revolt np to 1975, when essentially working from year the reheliton was ended through to year plans rather than the an agreement between Bakhdad 1976-80 development plan. an agreement between Bakhdad and the Kurd's hackers in Iran.

Syrian territory, was closed, Snbequently transport hy road and rail across Syria was choked off. The agricultural projects have After France and Italy, Brazil These problems are now heing frequently involved British con- is the largest consumer of Iraqi Mediterranean reopened.

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فكمؤمنهم

AS STRIKES sweep across the ... The changing political scene, Iranian eilfields cutting their and the intermittent slowdown exports to almost noting, Iraq of nll exports has had an impact has become the second largest on trans lanning. The closing oil exporter in the world. Yet of the trans. Syrian pipelme, in iraq remains one of the least particular, made it necessary for known of the major Arab of the 1976-80 plan to be of more producers. Contractors, fearful modest dimensions than had

Financial Times Monday Jungary 2002 to

of the heavy state control in been previously hoped. Baghdad, have in the past But Iraq also suffered from looked to essier conditions in the same problems of other oil the lower Gulf.

nf lack of exploration in the plans for industrial projects claimed in the past that re-claimed in the past that re-serves may be as high as 95bh building up the infrastructure parrels. This gives Iraq the and nn completing and putting second largest reserves in the into nperation such projects as area after Saudi Arabia, higher the urea plant which Mitsubishi is building near Basra. In tha

than Iran's. The trepidation with which same area Thyssen and Lum-the contractors have approached mus are working on a \$1,000m Iraq is partly, but not entirely, petrochemicals plant. Creusot-justified by the isolation of the Loire has had difficulties with

Industry is receiving some and the Kurd's hackers in Iran. Industry is receiving some The termination of the long 41 per cent of the total plan raining dispute with Syria and expenditure of \$49bn.-though the Baghdad Government this figure should be treated following the Camp David agree-with caution. In theory agricul-ment between Israel and Egypt; ture has priority and in the also strengthened the Govern-ment. In 1976 the oil-pipeline between Kirkuk and the leges this is true. But its Mediterranean, which transits capacity to absorb investment Strien territory was closed. Say dnates from agricultural col-leges this is true. But its posed an UK imports. Wimpey capacity to absorb investment had hoped to win a \$1.2m rail-is limited and is unlikely to rise way contract, which has

resolved and the connection suitants. But the major con- crude, and Petrobras, the State between Trag. and the tracts have been going in the oil company, has an exploration Soviet Union, Yugoslavia, and development contract in the

Austria and the developing southern oilfields.

countries. The biggest exporters to Germany and Japan, which have received the lion's share of construction contracts. The Japanese have looked to Iraq

The United States bas no embassy in Baghdad and its commercial hopas have heen limited by boycott restrictions and political differences. But it is important to note that Iraqi Airways relies on Boelog air-craft and Brown and Root constructed a large oil termiual on the Gulf. Some Iraqis would dearly like American nil technology.

A worry for contractors is that the Iraqis are tough on prices (though satisfactory in maintaining progress pay-ments). More important is that, in the past, tha Iragis bave linked the awarding of contracts to individual countries with the purchase of Iraqi crude.

In the spring of last year an embargo was started by tha Iraqis on orders from West Germany to try to get the West Germans, the largest suppliers, to raise the amount of Iraqi

nil they were using. Other suppliers boped to fill the gap left hy the Germans. But in the middle of the year gone to Mendes Junior of Brazil. After France and Italy, Brazil

The tighter market for oil may make the Iraqis less intent Iraq in the past have been West on lioking the award of conon hoking the award of con-tracts to a country's imports of Iraqi crude. But it is notice-able that smaller countries, such as Finland, Austria, Brazil, as a good alternative source of India and Yugoslavia, have been oil if there was disruption of doing particularly well. Con-current supplies and have sumption of Iraqi crude has organised a \$2bn credit to help often been the key which opens win major contracts. the door for contractors. Companies working in Iraq

often complain of the difficulty in dealing with the complex Iraqi bureaucracy. This tends to vary from one State organisation to another. An additional problem is the provision of iahour. The Iraqis, differing from other Arab oil producers, have never enconraged immigrant workers, though Egyptians are very visible as botel waiters.

Hence they emphasise the training development aspect of contracts. They are deeply con-scious of the need for more

trained lraqi personnel. This has also led to the award of school and college contracts on a turnkey basis over the past year. The Japanese and the Finns have been the main heneficiaries. There are also plans to increase the supply of housing very rapidly over the next five years. For the construction industry

Iraq's potential remains very large hut requires patience and experience. From 1974 onwards Iran and the other States of the Gulf looked more attractive pro-positions. But the long-term needs of Iraq for infrastructure, industry and agriculture are far greater than thnse of the small populations of the lower Gulf. Knowledge of the future potential has to be weighed very carefully against current carefully difficulties,

Patrick Cockburn

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Little work on offer

Oman

IF OMAN was a little later than is offering fittle in the way of where suitable land for further the latest aids and facilities. most of its Arab neighbours in work for international con- development was scarce and in But perhaps the jewel in the coming to terms with the tractors. For the fact is that, which services could not cope company's crown is the Medinat twentieth century, it has along with some of its other with the demands heing put Qahoos housing and apartment development in which the country upon them. Sultan has taken a close and mostile areas hecame construct.

position on the south eastern slowdown as a result of financial tion sites almost overnight, and corner of the Arahian penin- stringency, which has inevitably entire landscapes were trans-





corner of the Arahian penne- stringency, which has hervice and intra- formed as high, rocky outcrops sular and overlooking the curtailed the rapid rate of infra- formed as high, rocky outcrops narrow stretch of water which structure and social service gave way to office, shop and narrow stretch of water which structure and social service separates it from Iran, the development that commenced Sultanate offers the visitor a with the accession of the present bewildering hat delightful mix Sultan, Qaboos hin Sa'id in 1970. Dhofar, separated from the of ancient and modern, a Before the period of slower country of contrasts with its growth, development in the mud-built multi-storey homes country had proceeded at a and .its ... ultra-modern inter- rate which was barely surpassed national intels, a nation of anywhere in the ragion. Conprond tradition and boundless atruction activity in the north, ambition for the future around the capital Muscat and ambition for the future. For the moment; however, it: Mntrah, had reached the stage

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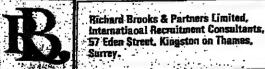
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AL FUTTAIN TOWER SCAFFOLDING PVT

housing developments. In the sonthern province of

north hy hundreds of miles of inhospitable and largely unpopulated interior a guerrilla war ended only in 1975, hnt more recently development in the area has gathered momentum, partly as a result of tha Sultan's desire to retain the

other.

structure.

ground.

Some

tractors in search of work.

engineering operations

contractors,

training school which boasts all

development was started in 1973 no a site a short distance out of the capital, the first completely private enterprise operation of its type in the country. The eastern section of what is essentially a new town offers about 550 houses, villas and apartments and was developed hy W. J. Towell, and huilt by Cementation (Jersey). Most of the properties are heing offered lovalty of the Dhofaris and to on short leases and the whole development is heing managed bring their standard of living up to that of Northern Oman. by Taylor Woodrow Towell. A country with some rainfall that has traditionally The western section, which

comprises houses for sale, is heen heavily dependent on agrinow about half complete, was designed hy Taylor Woodrow International, and the main conculture for its livelihood, Oman has plans to develop a range of light industries—some already tractors and developers are the apparent—in an attempt to hreak with its traditional economic hase. With substan-tial petroleum revennes and Oman International Develop ment Company. Sales towards the end of last year were reportedly slack. although there other important natural resources such as copper and have been signs that interest is plcking up. Few developments will preother minerals, heavy invest-

ment is being made in these areas and in industries like sumahly, match tha Medinat Qaboos standards, hnt the pro-vision of housing in Oman does fishing, as well as in the continuing expansion and improverepresent an area with consider-able potential for future ment of the country's infracontractors. It is already clear So although the medium to longer-term outlook for conthat preferences are changing from the initially essential pre-fabricated housing unit towards struction activity in the country more traditionally huilt pro-

must be regarded as good, the current situation—in which few substantial contracts are going perty. Away from housing, road out to tender-represents anydevelopments will also continue thing but a buoyant one for conto play a major part in future development strategy. Since Oman has traditinnally close the early days of the new programme, over 1,000 km of graded roads have been built, tias with the UK, and several of this country's major inter-national building and civil many linking the country with the nearby United Arab the nearby United Arab Emirates and improving comhave carried out work there. None, mnnications between domestic however, regard the country as one which offers any immediate centres.

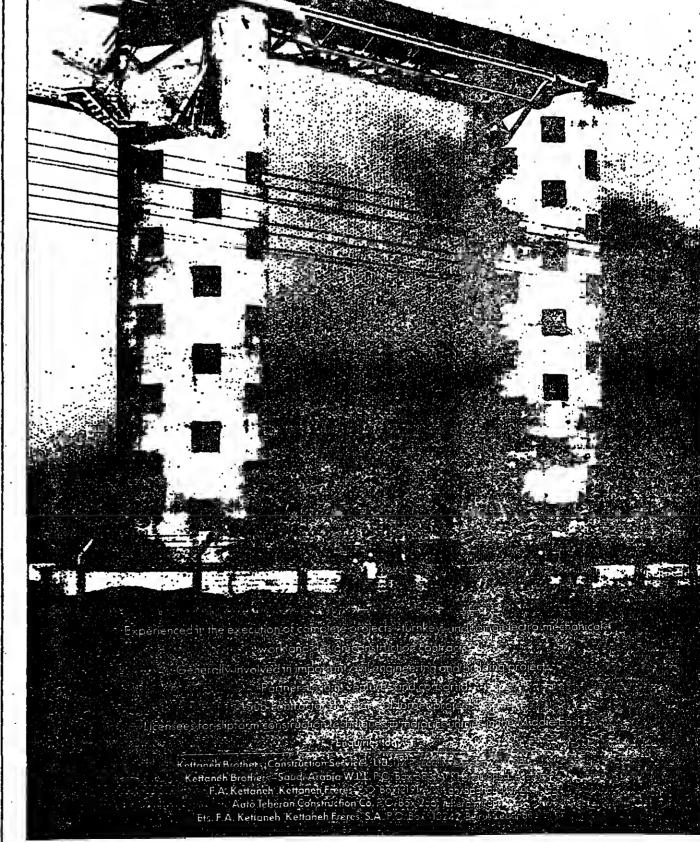
The opening np of the growth prospects and work has become very thin on the interior and the improvement of north-south land links should provide substantial volumes of work of this type. while

maintaining a presence in the country, have no contracts in Companies such as Wimpey have already heen participating hand and are simply hiding their time until the position in road contracts, hut they have improves. UK companies which to contend with some very bave undertaken work in Oman includa Wimpey, Costain, Tarmac and Paulings. One of tough competition from other international specialists such as Joanna and Paraskevedes of the most successful to date has been Taylor Woodrow, through Greece, which has developed a sizeable contracting oparation its partnership with local con-tractor W. J. Towell. Taylor Woodrow Towell has managed to win larga volumes in Oman, picking up work involving military projects, road construction and airport pro-

iects. of work throughont the country since modernisation hagan. The UK presence has by no means heen eclipsed, however, some involving projects for the and the success of consultants like Halcrow and Scott Wilson Kirkpatrick is as notable as any Sultan himself and much of it centred on defence, police, haalth and education projects. progress made hy the con-The company has, for example, tractors themselves. Both sectora hope Oman will prove to he recently completed a two-year contract for the construction of a market of the future, if not of a marine police hase and has the moment. also finished work on an army

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ARAB CONSTRUCTION X

Contractors move in

North Yemen

ONE OF the most romantic propledges of around Sibn plus jects in the Arahian peninsula is to be found in North Yemenplan. For contractors and consul-

the reconstruction of the giant and historic Ma'rib dam, east tants this means lobbying the of the mountains surrounding various aid agencies as well as Sana'a, the country's capital. Ma'rih was the Queen of Sheha's the North Yemen Government in order to get on to the precapital and a flourishing comqualification lists. The essential mercial centre in the days of the ministry to get to know is the frankincense trade. The dam et. Me'rlh retained the waters that Central - Planning Organisation (CPO) which, with UNDP assist-Ingatea much of the surround- ance, prepared the five-year ing territory and gave the plan and will overse its imple-country its historic title of mentation. The CPO estimates and prequalifica procedure for all the major projects, such as the \$300m power generation and distribution scheme for which hids were called in last November. Chance the site

feasihility study.

But North Yemen's construc-

tion plans are not limited to

rebuilding the past. The country has published an amhitious \$3.6hn five-year

development plan which is aimed to lay the foundations

for raising the country from its

medieval subsistance agricul-

tural economy to a modern light

industrial state supported by e

fourishing agriculture. The first

step-the primary objective of

the current plan-is to create the infrastructure. Many of the

projects in the five-year plan,

roads, power plants, telecom-munications, weter and sewer-

age, ports and airports, schools,

hospitals and housing, could he

started in the coming year or

and consultants who are running

out of work on the other side

of the Archian peninsula ere already in North Yemen, hoping

different from in the small hut

is that the North Yemen Govern-

ment is poor. The hulk of the

projects in the five-year plan are

Airports

Bridges

Complete Industrial Processing Plant

(Ammonia, Cement, Desalination,

for future work.

A number of contractors

dam may possibly he huilt on e new site). Electrowatt of Switzerland is doing the

A feature of this particular contract—which hopeful con-tractors would do well to notice was tha insistence of the Yemenis on some indication of what credit would be available in the contractor's home country. While the CPO made it perfectly clear that a tied proposal-" give us the contract and we will give you so much credit" — was not what was wanted (and might, indeed, he resented), an indication of credit availebility was of prime importance. While contractors and con-

sultants should maka themselves known to the CPO and the relevant aid fund underwriting the project in which they are interested, contact should also spend \$190m on it. According be made with the appropriate ministry. The excellent COMET (Committee on Middle East Trade) report on North Yemen, published in September, 1978, and costing £6, points out that contects should he made at high levels-North Yemen even more than the other Arah states. suffers from a serious lack of edequate middle and lower rank

Those contractors, however, will find working in the Yemen Arah Republic strikingly civil servants and managers. As The Sana'a work is being a consequence, senior officials carried out by Lilley Interna-are inundated with work—and tional of the United Kingdom wealthy Gulf sheikhdoms. The yet always accessible-which first and most obvious difference means that arriving at decisions is often a protracted process. Yet once decisions are made, to he financed hy aid from out- they are often implemented side, though some, it is hoped, quickly.

hy the Yemeni private sector. It is vital for those seriously Fortunately so far it seems thet looking for work to have a representative on the spot. Comthe ald is readily forthcoming munications with North Yemen from hoth Arah and Western sources (and a little from the are not good enough for companies to rely on telephone and telex messages keeping them up Chinese and Japanese). Already North Yemen has received

but many are seeking to repre- ning from the mountains down sent international contractors. to the Tihama coastal plain, and active principal and employees is essential to help the foreigner cope with the lower levels of Yemeni hureaucracy, as well as keeping in touch with the top civil servants," one established international con-

tractor comments. British consultants, while they do not have such a strong position as in some Gulf states, are quite conspicuous in North Yemen. Sir Alexander Gibh is consultant to the Hodeidah port project, adding a sixth berth, handling equipment and service huildings. It is also supervising the work et Mocha, the ancient coffee exporting port which is heing done by Dutch contractors. In consortium with the French consultants Ingeroute, it is working on a number of road projects. Alone it has the consultancy brief for four small airports - North domestic Yemen covers some 200,000 square km of high mountains and extensive plains, making internal communications difficult. Kennedy and Donkin is the consultant to the Yemen General Electricity Corporation,

working on the country's power generation and distribution programme under the five year plan North Yemen plans th to the COMET report present installed capacity in North Yemen is around 17.5 MW. Immediete as well as long, solutions to the power supply problem are necessary. There is a \$100m water and

sewerage project under way covering the three main towns of North Yemen, Sana'a (the capital), Taiz and Hodeidah. which hoped to have completed its work around the turn of 1978-79.

EGYPT REPRESENTS poten- remains very high.

dam building projects with asso- Howarth. cieted access roads and other extensioo work.

A major part of the five-year plan is taken up with the improvement of roed communications (for hoth political and economic reasons). Most of the villages in which North Yemen's population of 6m or more live are not linked into any metalled road system. The only proper asphalted and graded roads are those linking Sana'e to Hoder dah, the letter to Taiz and Taiz to Sana'a, and from Sana'a to the northern city of Sa'ada. Village co-operatives are busy building access roads but, as anyone fiying into Sana'a can see from the windows of the aircraft, the construction of roads in Yemen's mountainous territory will be an enormous engineering challenge. Some \$520m is estimeted to be needed for first priority roads and afurther \$230m for - second priority. There are, in all, some 42 roed building and maintenance schemes of which 28 are on the first priority list

on the first priority list. Housing, too, is a major priority of the North Yemen Government. A 2,000-unit township is heing huilt outside Sana's by the Spanish company I. G. Varia, and the CPO is helieved to be planning a second township of about the same size. But it is in the residential Arahia), now said to total around \$1.4bn annually, means that new huilding is going on in virtually every village in North Yemen. A Knwaiti real estate COMET report advises contract well have strengthened his point developer has put up a specula- tors to include every possible tion by means of the switt May tive development of prefabri- detail in initial draft contracts in which he dealt with an cated houses outside Sana'a and is planning more. 1978-79, the consultant is There is a new Yemeni- employees—as details cannot he Howard Humphreys. The Sir Kuwaiti Real Estate Develop added later. If further contracts — Doing Thomas

Yemenis William Halcrow consultancy is ment Corporation, in which the are hoped for, the first must be towards the cost of its five-year always respond to them. As working on a water project of a shareholders are Yemeni citizens a model legal document as the plan. Yet few Yemeni contractors different kind—the irrigation and Kuwait banks, which has a Yemenis like to take a first For contractors and consul. have sufficient experience to studies for Wadi Sirdud. Irriga number of hotel and residential contract as a standard for the nave similarit experience to statistics in which will be the statistic of note and resident index. Second: Where a project is to scheduled in the first-year plan out on some of the wadis run- study, including two possible be funded by one of the many but many are seeking to repre- ning from the mountains down Sheratons. The hotel studies aid hodies helping North sent international contractors. to the Tihama coastal plain, and are being done by the British. Yemen, standard FIDIC terms "A local representative with an these will lead to a number of consultancy Howarth and are usually followed. Although

> Land in: North Yemen is of hid and performance bonds expensive and not readily avail in practice these tend to be able. Construction costs are also hetween 2 and 5 per cent hid soaring as Yemeni labour bonds, and 10 per cent performbecomes more expensive, keep, ance honds with up to 20 per ing pace with an inflation rate cent retention possibilities on around the 30 per cent mark. construction contracts. So far In some cases the Yemeni all contracts have been negotilabourer has priced himself ont of the market and the Government has permitted contractors to hring in Asian and Egyptian lahour.

citizens and as Government sultants and contractors. With officials, are commonly regarded nearly half a score of ettempted as tough bargainers, who still tend to go for the lowest price, skills are given their due value, assassinated in the past two skills are given their due value, concern. But long term ex-This does, hnwever, mean that petriate residents of Sana'e. Western contractors will face point to the fact Far Eastern contractors and from Africa. There are a number of Sudanese in consultancy positions with the Government and en Ethiopian contractor is building the Yemen Airways Corporation heedquerters.

Competition

In the not too distant future But it is in the resultance interest in the same of a mossible remittances from Saudi Arabia foreign partner. on

leveloper has put up a specula- tors to include every possible tion by means of the swift way -ive development of prefabri- detail in initial draft contracts in which he dealt with ap-ated houses outside Sana'a and —down to the right to import attempted army coup in s planning more. food and drink for company November last year. There is a new Yemeni- employees—as details cannot he Doing Thomas

there is no formal codification ated on a fixed price basis.

But it is the question of the stability of the North Yemen Government, rather than it abour. Yemenis, both as private worries many international connearly haif a score of ettempted coups and two presidents assassinated in the past two largely unaffected by the political upheavals. When Presidents have changed, there has inevitably been a temporary hiatus in Government decision making. The private sector has heen quiet for a few days and then business life returned to

normal. Since the impressive and relatively long-serving President there may also be competition Ibrahim al-Hamdi was murdered from a major Yemeni contract. in October, 1977, there have ing company. It is known that, been three, successive, leaders the Government is eager to set, but the complexion of the up a netional contracting com. Government of the YAR has, pany in partnership with a in hroad terms, remained much foreign contractor of inter the same. There is a strong national standing and that it commitment to private enteras to the name of a possible remittances from Saudi Arabia -have continued unchanged. It The Yemenis are also tough is also pointed out that Presi-n contract terms, and the dent All Abdullah also hav tion by means of the swift way -



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AND IT SHOWS:

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markets for construction work in the entire Arab world. With 38m people, the country has the largest population of the region and one of the greatest undeveloped land masses in the Middle East. But more important, it has resolved . to emhark on an amhitious plan of modernisation and development which will inevitably require the assistance and resources of non-Egyptians. In this respect, the prospects for business for the UK huilding and civil engineering sector seem houndless. As the hriefest of visits to Ceiro will confirm, the Egyptians like the British, and the few contractors who heve ventured into the country since the post-Nasser "opendoor policy took effect have likened the etmosphere to that which exists in parts of the Gulf, where historical links with the UK can often represent a heed start in the race for work.

Egypt is not immediately ripe for the picking, however. It is a country of enormous frustrations and endless hnreaucracy and, most important of all, it remains relatively poor. So far at least, its amhitions have been severely curtailed by a painful lack of finance, hut there is hope that the outlook is much brighter.

Cotton

economy is now undergoing e period of significant changa end diversification. and since the 1973 war with Israel the Government has attempted encourage domestic and foreign private investment and slowly to pull down much of the hureaucracy which has ham-

pered progress. Now petroleum production is rising (the country is self-sufficient in oil) and export revenue is increasing. In eddition, the reopening of the Suez Canal has provided a hadly needed economic hoost and a country once almost whollytuned to agriculture is developing mining and manufacturing extending into industries. electronics. engineering. chemicals and construction materials and also emerging as a significant regional centre for commercial and financial services Tha high cost of defence (a peace settlement should relieve enormous financial pressures and hring a hoost in the form of overseas investment), the heavy requirements of Government in an extensive bureaucracy and

excenditure on consumer subsidies have led to large Government hudget deficits, which have been financed by horrow-

version of "a sleeping giant," It is already showing enough signs of lifa to interest the contractor or civil engineer who wishes to maintain a presence in the Middle East and is finding it increasingly hard to find work! in those countries where hasic. development is well advanced. The total value of major construction projects in Egypt, under way or provisionally costed, amounts to no less than £11hn, and although the level. of ectivity this figure suggests will he spread over a number of Supertankers years it should he sufficient to sustain a major construction hoom in the country.

Egypt is not, of course, with-out its own huilding and civil engineering fraternity, hut it is already clear that it needs, and wents, help in the form of out-side participation. Some UK, contractors have haen quick off the mark.

Few here heen quicker then. Higgs and Hill, which Is now developing the ultra-modern Cairo Plaza project on the hanks of the Nile in the capital. The management fee agreement is worth in excess of £35m and involves the construction of twin, 39-storey towers for use as apartments and offices. A shopping exhibition and conference centre will also ha included in the complex, due for completion in 1981.

Traditionally dependent upon the largest building contracts the export of cotton, Egypt's yet to he awarded in Fourt etc. is something of a coup for both Higgs end Hill and the UK. It is certainly the kind of valuable foot in the door which could work. to provide a smoother entry for other companies which ettempt to follow.

> But as Higgs and Hill itself point out, the work is not easy. to win and the execution of the contract is not exactly trouble free. The contractor has to cope with a situation in which different disciplines prevail, or to put it more hluntly, in which lower standards often exist. There is an educational role to fulfil as well as a construction joh to he done.

But despite the fact that the upturn in construction activity construct new cities in the is harely off the ground and that desert to relieve the city of is harely off the ground and that Egypt does not represent the easiest of environments in which to work, international competi-tion is already apparent. The

Americans in particuler are recording contract successes and conntries such as Switzerland are also winning work. As yet there are few Far Eastern contractors though there is no reason why more should not come.

For the time being, the UK does appear to he ahead of other heen financed by horrow. European competitors-It is Egypt's external deht doing particularly well when it

still represent the Arab world's its wits about it to maintain the areas offering little work and edge which exists. tow standards of accommoda

Higgs and Hill is not alone tion, and the development of a series of overspill cities is now In Egypt. Tarmac Overseas, in. regarded as a major priority in joint venture with Osman Ahmed Osman; is constructing. the overall development proa two-lane road tunnel under gramme. Four new cities are the Suez Canal at El Shàllufa, envisaged: Sadat City on the near Port Suez. The multi-Cairo-Alexandria road, Ramadan million pound contract is well underway and the tunnel is dueto be operational by 1980. The original value of the work was £30m, although this figura is: now very much out of date.

Other: contractors in the

country include- Cementation

(through Cleveland Bridge and.

Engineering Middle East) and Bovis, currently engaged on a

contract for the refurbishment

of the world-famous Shep-

The largest single project in

heard's Hotel in Cairo.

Elsewhere.

couple of decades.

nomes for over 2m. people.

centres in the world. Its prob-

City on the Cairo-Ismailia road, King Khaled City on the Cairo-Fayoum route and El Obour City. on the Cairo-Bilbeis desert road. Work on Ramadan City has already. started at a projected cost of £400m, and activity on

some of the other centres is now about to start. The prospects for system-built - housing would appear to be immense.

In Cairo itself, plans are also drawn np for the first phase of metro system, designed to help relieve some of the capital'a mounting congestion problems. The cost could be as high as £600m and is heing funded by the French and hy Arab bankers.

Egypt must be the first phase The contractor aware of these of the plan to deapan and widen the Suez Canal, so that it is capable of accommodating the plans and more and con-sequently considering Egypt as 150,000 dwt supertansers. entire project, including the would be well advised to second phase which will enable out the type of background second dwt tankers to research which forms an essential preliminary to activity in any of the Arab states. use the canal, is calculated to

cost (at current prices) about £1.5bn, with most of the finance He will find the country coming from the International represents a market place in Bank for Reconstruction and which many of the alien and, Development, tha Arab oil for the outsider, problematical states and the Japanese. Japan social restrictions and customs has already provided over £100m in aid for the project, and one Japanese company, found in other Arab' states do not exist. On the other hand, there are tough regulation Mitsui, has already picked up substantial canal-associated soverning the labour market and some feirly protracted requirements for establishing Port Said businesses. Egyptian private or

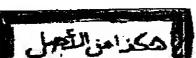
Ismailia and Port Sucz ara to public sector participation is usually required. ba modernised as part of a revelopment programme in the

As a construction market, Egypt has enormous potential and there may be much to be gained by heing anong the first overseas, operators to establish firm roots in the country. There is still, however, wide-spread rejuctance of the canal zona, which will cost an estimated 16hn over the next The programme will involve

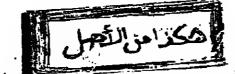
the construction of more road tunnels, the reclamation of land and the creation of new popula spread reluctance on the part of many companies to become comtion centres destined to provide mitted in a country whose ambilions may well prove to exceed its financial capabilities. The second largest project in the country is the scheme to The mushrooming and liberali-sation of the banking sectorinvolving Egyptian and foreign banks should at least indicate that things are beginning to move in the right direction Cairo, which now has an estimated population of 9m and represents one of the most tangled and chaotic urban

MC





Financial Times Monday January 22 1979 THE-U.S. FEDERAL BUDGET



BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

BY JUREK MARTIN, U.S. EDITOR, IN WASH **Playing, the numbers game in earnest**

NOW THAT he is no longer combat the Russian mentice, running for President and his To another group, the chronic back condition is ins. question is what, over the com-proved, Senator Edmund Musice ing months, Congress will do has become rather good af offer to Mr. Carter's bluer mint, the ing a sense of perspective. Thus, he was heard to remark the

today; is one in which precise numbers have become the name . nf the game. Mr. Carter likes to play it himself: at his Press conference last week be claimed. with pride that not only had be managed to meet his self-appointed target of reducing the deficit to \$30bn but that he had actually beaten that figure by cractly \$1bn. This meant, be said, that he had more than halved the deficit since he took office two years ago and showed that the federal government was earnest in shouldering its shareof the burden in the fight against inflation.

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prevented by constitutioned amendment from running any sort of deficit. This essentially conservative movement is in the process of being taken over by Gavernor Jerry Brown of Cali-fornia, who thinks he can ride it to the White House next year, and has already been sharply criticised as "dangerous" by the President. For liberals, the promised 3 per cent increase in defence spending and commensurate cuts on social services is an abdication of domestic responsibilities, while the four-year-long recovery for censervatives yet more is would finally run out of steam.

Civil Service

Sir,-Tm: sure that Mr. Lay-

born's letter (January 16) will

be carefully considered by the

pay

From Mr. A. Furse

by months, Congress will do to Mr. Carter's bluer rint, the main numbers of which have be was heard to remark the in any case been known for other day, what is the point of some time. Congress may be moved by fear 37 recession here or there on the federal budget deficit in a trillion dollar econemy? Unfortunately, the budget for the 1980 fiscal year, beginning in October, which President Carter presents to the nation inday, is one in which precise the school completed by the overall while considerably changing the budget's conspondent to while considerably changing the budget's conspondent to while considerably changing the budget's conspondent to while considerably changing the budget's conspondent to while considerably changing the budget's conspondent to budget deficit in a trillion dollar or impelled by a surge of austerity to cut ht back further, ceilings relatively untouched while considerably changing the budget's conspondent to the school constraint the In any case been known for ent school emaintains that the budget is prore or less irrelevant and that the answer to inflation lies on the monetary side of the coin with the Federal Reserve

Recession

The main question of the mament, into which context the badget must be placed, is shether the U.S. economy can avoid a recession (as the Administration is in a minority against inflation. If in believing) in the process of sion of the preceding three others are watching the curbing inflation, or, if not, months. The principal factor numbers with equal intensity, when it will come and how deep was the buoyancy of consumer One growing school of thought and long lasting it will be. There spending, but the data also is currently demanding that the is some side debate as to demonstrated what Administra-federal government should be whether or not the modest real tion officials have been mainrate of growth projected for 1979 by the government of 2-24 per cent is in reality a "growth recession" because it could be under the long-run potential expansion of the economy. But, for the most part, the focus is on the chances of the U.S. incurring a recession in the technical sense of the wordthat is, two consecutive quarters with negetive real growth.

Before last October, the experts were divided on when tial

veiled his austere domestic antiinflation policies and the doHar aupport package, which came wrapped up in the promise of lighter Federal Reserve the conmanetary polices, sensus view among economists was that an outright recession bad been made much more likely by the middle in latter half of this year, but that it would be relatively mild and short, Since then, and without much consensus, events hove induced the seers—but not the Administration—to suggest that the downturn will be deeper and later, perhaps delayed until early 1980.

have been the staggered OPEC oil price narreases over the coming year, compounded with the possibility of further Inter-ruption of supplies from Iran, and, perhaps more important, the persistent vigonr of the economy. In the final quarter of last year, figures released last week showed Gross National Product rose by 6.1 per cent in real terms at ao annual rate, more than double the expantaining for months-that the economy, remarkably so given

remains in extremely good balence. Most of the vital organs scem to be working well. Industrial production continues to advance respectably, the nation's fac-

Letters to the Editor

The principal developments President Carter-hard choices in the shadow of a 1980

the length of the recovery from the 1974-75 recession

tories are operating at over So per cent of capacity and there are only isolated cases of potenbottlenecks and supply problems in evidence. Inven- a degree of insulation from the tories are in a comfortably low worst monetary travails that it

election year. of the frenetic build-up and sonal income is advancing subsequent sharp reduction of healthily and if the savings rate stocks that characterised the remains too low and consumer nnset of the last recession, debt too high there is no real Housing starts are still running suggestion yet that consumers at well over the 2m units per ere emharking on a last wild annum level in spite of higher spending spree before the interest rates and, while this is Titanic goes down. At the same likely to drop somewhat, it is time, husiness spending plans, social security and minimum generally accepted now that the while lower than the Adminisnew money market instruments tration might like, do not seem put out by the housing institu- to be on the verge of dis- chance of Congress insisting un

New Year's Eve, the broad- weakness, the imponderabilities which catagory Governor Brown to meet the demand for jobsmore than 7m were created in the last two years would have exacerbated domestic social strains, as well as placing a much heavier burden on the federal budget. Unemployment are in work than ever before. Thus, viewed entirely in its

domestic productive context, the U.S. economy is in by no means bad shape. The fourth quarter statistics suggest that still has the sort of life in it which may take some time to expire in spite of the constraints being applied by the fiscal and monetary authorities. But the perceived cancer in the economy is inflation, which, at the consumer price level, rose to over 9 per cent last year and which has been showing no signs of abatement. The Ad-ministration maintains that it is at least getting no worse and is projecting about 7.5 per cent over the course of this year, according to the President's "real wage insurance' proposals unveiled last week, and there is nothing in Presi-But the asumptions contained therein are frequently chal-

This is hardly surprising if one considers the array of infletionary items that could exert substantial upwards presgoes domestic oil price increases, put out by the housing institu- to be on the floor. further tax cuts, the residual J950 men he may be in the start of a degree of insulation from the Moreover, as Professor consequences of last year's He could be attacked from worst monetary travails that it Samuelson so eloquently dollar deterioration and the inside the Democratic party worst monetary travails that it Samuelson is this space on possibility of further future from both the neo-Right (into domestic responsibilities, while the four-year-long recovery problems in evidence. Inven- a degree of insulation from the Moreover, as Professor consequences of last year's He could be attacked from for censervatives yet-more is would finally run out of steam, tories are in a comfortably low worst monetary travails that it Samuelson so elequently dollar deterioration and the inside the Democratic party needed for the military to After the President bad un- ratio in sales, with few signs bas not enjoyed before. Per-pointed out in this space on possibility of further future from both the neo-Right (into

based growth of the economy of the barvest (with the cirrus has enabled the country to crops in California and Texas accommodate a far greater already badly damaged this expansion in the labour force winter), plus the probability of than had been forecast. Failure addinonal expensive support programmes for domestic agri-culture, and the assertion of protectionism in Congress. Com-bine this list with the impact of bigb interest rates and the distinct chance that both the unions and the corporate sector is still under 6 per cent and a will flout the wage and price higher proportion of Americans guidelines and the potential for

inflationary disaster is apparent. Guidefines The converse-which the Administration has no alternative to promulgae upless it simply succumbs to either o major recession nr fully-fiedged wage and price controls-is that the worst case will not materialise, that the Admiois-

tration's multi-pronged but still essentially gradualist and balanced policies will take hold and even, *mirabile visu*, thet the nation will respond to the inflationary threat and abide by the guidelines. Pruning the budget deficit is ao iotegral part of this strategy dent Carter's charecter to lead one to believe that be will not stick to his austerity guns. But this year economic considera-

tions may not be taken in isolation, for 1980 will bring the next presidentiel election. It is sure on costs and prices if all assumed that Mr. Carter will badly - foreign end run again and, it is entirely logical to assume that all Mr. Carter's political advisers will wage increases mandated by be telling him that if the act of Congress, the outside economy is not moving in the

templating rather different U.S. FEDERAL BUDGET DEFICIT (fiscal year) Sbn 2.8 1970 1971 23.0 1972 1973 1-3 4.7 1975 45.3 1976 65.4 Transitional quarter'

1977

23

has now placed himself) and

with the Republicans, if they

ever resolve their own leader-

ship problems enjoying the

spectacle and seeking to beneat

Mr. Carter might find that the

country profers his middle-of-the-road policies to the solutions offered from the flanks, but that

is a large gamble. In 1971, in

not dissimilar circomstances

same pressures in pursuit ci re-

election. If the economy starts showing signs of incipient

collapse towards the end of this

year, and given the time lag between the introduction of

more stimulatory policies and

the response to them, Mr. Carter might find himself; con-

President Nixon caved in to the

(Senator Kennedy),

the Left

from it.

1978 1979 (est.) **40 B** 1930 (est.) 29.2 " Change in fiscal year from july-June to October-September.

121

45.0

economic policies just at the . very moment when the budge. he prescots this morning is to go into effect. That, perhaps, is what Senator Muskie had in mind when he wondered about the significance of the odd hillion doilars here or there, for the numbers game can very quickly change.

acquisition of financial assets and net borrowing requirement (third-quarter). Cyclical indica-tors for the UK ecooomy

House of Commons: Motion to appoint joint committee on special commission on uit

sanctions meet in Hoog Kong for five-day COMPANY PESULTS Final divideods: Alexanders Discouot Company. Greenfriar Investment Company, Hali Brothers Steamship Company, Leda Investment Trust. Interior divideods: Inry Property ;) Holdiogs. Interim Synres: F. ; Wrightoo and Sons (Assoc. Cos.). divideods:

COMPANY MEETINGS See Finaocial Diary on page 31.

regarding the section of the statement with a certain amount Act to which she refers, as a of feeling. To my mind, the "loophole" I regard it as a implementation of any such pro-provision supporting the pro- posals wil require, in order of fessional standing of scenarles magnitude, shift of attitude, enand hence the advice which they lightened engineering educa-tional management, coupled This advice may or may not with a realisation that time is

four voting members of the Pay Research Unit Board, and I look involve "differentiation" Research Unit Board, and Theor. Involve "omerchildred" forward to seeing details of regards rates but it certainly their qualifications and their does not, in my view, involve current and previous employers "discrimination" with the more or posts: 415 I would also like them to con- latter word conjures up. I sider the following: on April 5, would suggest that there is a 1978, you published a letter from very wide difference in fact Mr. B. Davies. It included the between the word "discrimina-

Mr. B. Davies, it minutes the perveen the word "distribution of the stories in a stories of the currently provided by the only sex) H. in their judgment, From the Sectetury, generality of pension schemes, to do otherwise could result in The Institution of Rather it is with the pension inequity between class of policy.

other data, but also any other make it a respectable bedfellow tories, the result of technology relevant factors. Thus, far from of research, I make the previous push."

not on our side.

(Smallpeice Reader in Engineering Design, Engineering Design Centres. University of Technology, .Loughborow Leicestershire.

The heart of the matter

from

Surely Christopher Lorenz should cast his eye over the considerable weight of research evidence showing that incovations based upun market pull have a significantly higher success rate than those based upon technology push. My experience has produced a sloular weight of evidence, particularly pointing towards the inability of UK management to grasp this point. More recently, research comparing management of iote-grated circuit innovations in

the U.S. compared to the UK. has highlighted the same thing as one of its findings. Thank goodoess that some body of the standing of Mr. Cor-

field should offer such construc-tive criticism and prescriptive advice. The path for industry in this country to renovate Itself

GENERAL UK .--- Public Service workers on one-day strike, with a march

Speakers' Corner to Parliament. Mr. Gordon Richardson, Governor of the Bank of England, addresses biennial dinner in Glasgow of the Institute of Bankers in Scotland.

Manchesler faces one-day bus Hearings of the Department of

paper on a mathematical model "Prime Minister attends "What of London, hunches with Sir the Papers Say" awards for David Orr, chairman of Unilever, journalism iunch, Savoy Hotel, at Uollever Honse, London. London. Overseas: - Presideot Carter Overseas: - Presidcot Carter preseots to Congress his budget for fiscal 1979.

Mr. Andrei Gromyko, Soviet panies' appropriation account.

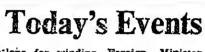
27 at the High Court. Mr. R. S. Clarkson presents 20 Asian developing countries

Talks on international wheat agreement resume in Geneva. Japan and U.S. discuss conomic prospects in each conomy duriog 1979-80, at economic economy meeting in Tokyo. OFFICIAL STATISTICS

Industriai and commerciai com-

Trade applications for winding Foreign Minister, arrives in (December). up petitions on two "fringe" Rome for five-day official visit. PARLIAMENTARY BUSINESS banks-Barnett Christie and including an audence wth Pope House of Commons; Mation to Kendal and Dent-opeo in Court John Paul II.

TUC-Labour Party liaison of the gilt-edged market at the multinational trade talks. committee meets, Congress Institute of Actuarics, London. Talks on international House, Loodon.



schemes of the restricted group boiders. To this end, they seek of employments used as ana- to take into account all the logues by the Pay Research relevant factors and advise provide more generous inflation them. Thus, to take en example proofing than the average not given by Baroness Lock-scheme." National Asso wood, women have for many ciation of Pension Funds sur- years enjoyed cheaper life veys which cover the post assurance premiums than men! retirement increases currently

If Mr. Davies is pronerly informed-the cat is nut of the bag, The Pay Research Unit restricted its investigations so that only schemes which provide the most generous inflation pronfing were studied or to be more succinct, it " decided the answer required and adjusted the evidence to fit it."

May I, therefore add to Mr. Layborn's admirable plea, the request that the Pay Research Unit Board should make careful inquiries about this aspect of the enalogue schemes chosen, and satisfy itself that an independent organisation like the NAPF considers if to be represcatative of the generality of schemes and that the degree of inflation preofing on the analogue schemes chosen is not

If any of the PRU's findings are eventually published, it is difficult to conceive how facts concerning this aspect could be omitted without destroying the credibility of the PRUB and reducing the status of the Govern-ment Actuary to that of civil service spekesman on actuarial matters.

From Mr. A. Furse Nerouis, -Mold,

Cluyd

Men, women and differentiation

From Monica Allanach Sir,-I was surprised to see that a report (January 18) of a speech by Baroness Lockwood, when she was a guest at a private actuarial function, had appeared in the Press. Since, however, a report has appeared, I feel that I should comment

On two aspects of it. It appears that Baroness Lockwood is trying to "instruct" actuaries as to how they should advise their clients on premium. rating. This seems to me in While the law is as it is, actuaries have a duty to advise appropriate rates they consider years in this sector, for the most all the financially successful very useful. should be adopted, taking into part teaching design, while at innovations which have come Mrs. Joan Brown. account not only actuarial and the same time endeavouring to out of production or the labora- 24, Moor Drive, Leeds. their clients as to the most

Mechanical Engineers Sir .-- Your very comprehen-

Stuart Pagh

-sive coverage of the main recom-Unit, and thet study showed that appropriately as the combined mendations of the Corfield these schemes are expected to evidence of these appears to report (January 11) on engineering design prepared for the National Economic Development Council is to be applauded. In the recent flurry of activity aimed at improving our manu-If taking all relevant factors facturing performance and, in particular, the education and training of engineers for manufacture, there wes some danger present, then no doubt actuaries generally would feel able to that design, an equally important area might be overlooked. recommend universally to their My institution is in agreement clients that they could cease in with most of the recommendadifferentiate. Unless and until tions made, but for brevity I this happens, I would beve would just comment on ooe, hoped that individual actuaries would be left free to exercise their professional judgment end recommend "differentiamembership requirements to see if more prominence should be given to design qualifications." tion" or not as they thought appropriate in the light of all' relevant factors. It follows from In this institution, design is considered in be the "beart" of this that I would also hope that mechanical engineering and all their action would not be con-strued as " discrimination " with corporate members must have received design training and all that the use of that word have post-training experience

Monice C. Allenach. 155 Copse Hill, SW20.

Engineering

implies.

design From Mr. S. Pugh Sir,-The Financial Times fires yet another broadside (January 11) in support of

(January 11) in support of better product design with its summary, discussion and edi-torial comment upon the Corfield report. This we place alongside Feilden, Galloway, Carter, Moultnn, all of which contain sound and reasoned arguments and recommenda-tions in the same vein, spanning a partial of 16 years. Many a period of 16 years. Many people reading your articles and the report itself will nod in

agreement and in some in-stances the adrenalin will flow a little faster for a few milli-seconds before returning to pormal and the maintenance of the status quo on all fronts. Indeed, your editorial makes

point when it says "the educa- DMS Tellech Systems tional section deserves the most Sir,-One espect of argent attention " and goes on to say that the Carter and Moulton recommendations have yet to be implemented. I would suggest that the key to the whole question is implementatent, in the educational sector?

either in design, development or Jan. 1978 -a related field. As far as Apr. academic courses are concerned. Sep. we are just embarking on e Nov.

complete review and accredita- Nov. tion of mechanical engineering degree courses and one of the criteria will be an acceptable design element. Thirty-two per cent of our chartered engineer members are prectising designers or menaging the design function. plas a further

40 per cent of our graduate members. · We are, therefore, very much involved with the design aspect of mechanical engineering and will gladly co-operate with the NEDC or any other appropriate From Mrs. J. Brown. body to raise the standard of design in the UK industry.

Alex McKay, 1 Birdcage Walk, Westminster, SW1.

Market pull

the most important and erudite From the Monaging Director,

Sir,-One espect of your critique of "A cure for the ills of product design" (Management page, January 19) is sur-prising. In two ways it queried the need for marketing control of design. To quote ...the tion. Has Mr. Corfield given identification of a market need be tantamount in-interfering thought as to how his own and or want should be the first with their professional status, previous recommendations may phase...(...this rather con-While the law is as it is, be brought into being, with in-inversial statement)" and " the project should be the result Having spent the past eight of market pull. But whet of

and coorpere in world markets ls not a cheap one, but fies in such good management. based upon intelligent experience and common seose. David Masoo. Regency House,

1-4, Warwick Street, W1.

Application required

From Miss E. Borrie

Sir,-Lord Peart (January 5) warned that "the one sure recipe for increasing unemployment will be to respond too slowly " to micro-electronics technology. Is Lord Peart aware namely, "that professional insti-tutions should examine their of the time taken by the Manpower Services Commission to give applicants for retraining firstly an interview, secondly a decision and thirdly, a training opportunity. I give below my experience.

experience. Nov. 1977 — First discussion with TOPS (training opportunities scheme) Oec. — Application for course in electronic servicing Jan. 1978 — Mathomatica test Apr. — Selection interview post-poned by TOPS Sep. — Interview postponed by me Nov. — Finst interview and scorpt-ance

ance Latter of acceptimes in forming me that there is an 2-12 month deloy before stort of smining.

The course, when I do start it, is 40 weeks long. The whole process will have taken 3 years

(Miss) Eyvor Barrie 6, Newlon Avenue, W3

Learning is

useful

Sir;-I was interested in your

article on language reading (January 13). Most schools act as if the

only road to acquisition of another language is via "O" and "A" and a degree in the subject. Every teacher enjoys his or her part in this process-but there are alternatives.

As a teacher of Russian for several years, I often found that pupils doing the subject "for interest" at Vith form level for a year or two, got a quick grasp of essentials, and felt the excitement of having a window on another part of the world.

The teaching profession, both in and after school, need not be afraid of admitting that language is a means of communication, as well as something to study for its own sake.

A little learning may be a dangerous thing, but it is often

Some discos take your breath away.



Saturday night fever. Pulsating sounds of soul, loud and hypnotic. Gyrating bodies, flashing lights. Atmosphere hot, heavy and sticky. Time to

clear the air. Xpelair fans will do the job efficiently, economically and unobtrusively year

in, year out. Xpelair make window, wall and roof fans with tough, reliable motors and automatic back-draught shutters as standard. They carry

a 2-year guarantee and a full service back-up. Wherever you live, work or relax, Xpelair let's you breathe much easier.

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Companies and Markets

24

UK COMPANY NEWS

ISSUE NEWS

Offer for sale by p

NSS Newsagents well placed for further growth

THE CURRENT strategy applied by NSS Newsagents form a sound basis for forward movement of

profits, says Mr. P. H. Byam-Cook, the chairman. The group'a main expansion effort continues to be in the acquisition of good confectionery, tobacconist and newagent businesses and the impetus in this field will be maintained he aays.

Marketing expertise is to be strengthened to improve buying cootrols and cootribution to profit of such products as toys slationery, books records and cards. In addition more resources are to he allocated to modernising, extending or, relocating exising profitable branches to enhance productivity of existing outlets.

The directors remain confident about prospects for the group's main centre slores. The rate at which they are developed is governed by the availability of both suitable sites and of management resources, the chairman explains. At present the company operates more than 20 such stores with retail area ranging from 2,000 to 15,000 sq ft.

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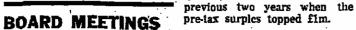
20

For the second year in auc-cession 1977/78 saw cigarette manufacturers beavily promol-ing king size cigarettes. This has undermined hrand loyalty as customers purchase the latest promotional offer with the result that the newsagents find it diffi-cult to maintain tight stock levels.

The cost to NSS as a multiple providing the necessary security, promotiocal space and extra stocks coupled with the oced to offer cut-price terms in many astimat stores, allows coly a bare margin steady. on the present pricing structure, Mr. Byam-Cook comments.

Overall sales for the year to October 1, 1978, were abead to to remain for the rest of the £56.65m (£47.09m) and taxable year, he told the annual meetprofit reached a record £3.72m (£3.16m) as reported December 6. Nct margins were, however, lower at 6.6 per cent (6.7 per profits would be hard to earn o the current year and would

Working capital at year end fall short of the level in the £4.14m against £4.43m.



bv

the ending of consequential

loss insurance and the costs of

CONSIDERABLE progress has

been made io obtaining the

necessary tax clearances pre-

paratory to plana for segregating

the company property develop-ment intereats from its bouse-

building and associated activities, Mr. John Bell, chair-

Progress on

reshaping

at Bellway

The following companies have notifie The following companies have notified datas of Board meetings to the Slock Exchange. Such meetings are usually hald for the purpose of considering dividends. Official Indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based memby on lest year's timetable. re-organisation.

TODAY Interim: Imry Property. Finals: Alexanders Oiscount, Green Iner Investment, Hall Brothers Steam ship, Leda Investment Trust. FUTURE DATES

Smith (Oavid S.) Jon. 23 Syllone Jan. 30 Vogelstruisbull Metel Jan: 24 Finals-

was down £250,000 (up £656,000) capilal and commitmeots amounted to £913.000 (£207,000) of which £47,000 (£152,000) had

been authorised but not contracted. The net dividend is raised to 2.37p (2.1225p).

Meetng, Woking, February 13 at 2.30 pm. Surrey, Sales lower

for Leeds &

District Dyers First quarter sales at Leeds and District Dyers and Finishers

dipped by 7½ per cent hut Mr. A. Mortimer, the chairman, astimated that profits remained Even so the upheaval caused

hy the refurbishment of the Scott Rhodes complex was going ing. He, therefore, saw no. reason to change his earlier view that

man of Bellway Huldings told yesterday'a aonual meeting. He added that the board boned to submit reconstruction pro-posals to shareholders as soon £5.7m. as possible with the arm that they would come into effect before the end of May. Last year the group lifted pretax profits from a depressed £139,000 to £3.72m. United

Guarantee

Pre-tax profits of United of £4.5m and extra costs of sales extraordinary credit of £118.025. After lax of £168,757 (£68,779). earnings per 5p sharc were ahown up from 2.494p to 2.847p. The net dividend is raised from 0.181p to 0.202p.

Turnover was down slightly at

Lloyds & Scottish outlook CONSIDERABLE resources are

held by Lloyds and Scottish in all areas of its activities. Even so the extent to which its strengths He explained that it was quite will be reflected in improved reimpossible to give any real aults will much depend on factors indication of the profit achieved during the first three months. outside the directors' controls, George Duncan, the chairman, ex-His assessment took into conplains in his annual statement. sideration all the problems posed

Minimum lending rate at 12.5 per cent, the continued rise in the overall cost of funds and the Government's fiscal and monetary policies against inflation, are which will not favour the factors company'a operations be says.

The group will, however, benefit from the release of funds following the sale. in December, of British Relay and Wireless and Television for some £61m.

The effect of this sale and the acquiaition of Cedar Holdings, now accepted by holders of 97 per cent of the equity, is indicated in a pro-forma balance sheet as at September 30, 1978. This puts net assets at an adjusted £560m, against an actual £575.6m, net horrowings lower at f425.8m, net horrowings lower at amounted to f300,399 at May 31, f425.8m, compared with a re 1978. At that date f296,415 was ported f457.8m and investment in owed by those companies to televisions on rental and relay Peak Investments. This indebted-networks down from f35.9m to ness will not be transferred to

reported December 16, group pre-tax profit for 1977-78 climbed from £17.39m 10 £26.21m on turnover of £181.2m (£159.1m) and the net dividend is raised to 4.40692p (3.9465p). Though the directors do not

regard the Hyde Guidelines on On the future of Peak without CCA accounting as entirely the electronics business, Mr. satisfactory when applied to a Dingle says the company would predominantly financial company, have sufficient cash resources to supplementary statement on this basis shows profit cut to £22.5m by additional depreciation

Guarantee tHoldings) stood at of £2.5m and extra costs of shies Guarantee tHoldings) stood at of £0.9m less a gearing adjust-5315,780 in the year to Septem ment of £1.7m, her 30, 1978. In the previous Net liquid funds at year-end year, profits were £315,585 after were dowo £8443m (£65.96m)

BIDS AND DEALS Peak to sell off electronics side

electronic interests of director, in a circular proposing Irvine, to shareholders that this section of the business abould be sold to Nissa, an Irish company 56 per

cent owned by Peak's chairman, M. J. Finch. Mr. Dingle recommends the aale on the grounds that " It is of

major importance to the company that there should be a substantial injection of cash." The circular shows that in the last financial year, the electronics

side of the business made a profit before tax, bank interest and group management charges of £108,435 compared with of £105,355 compared with £45,869 for the group as a whole. Proceeds of the sale will amount to Irish £650,000. Net assets of the electronics interests amounted to £300,399 at May 31, 1978. At that date £296,415 was ness will not he transferred to the Durchaser.

Mr. Finch and Mr. J. Bloice. the managing director of Peak Electronics who also has a stake in Nissa, have undertaken not to vote at the EGM of Peak at which abareholders will be asked to approve the deal.

On the future of Peak without enable Peak Trailers to move to

more satisfactory premises. After the re-organisation, Peak would consist of Peak Trailers and tbree income producing invest-ment properties in the Stockport Net liquid funds at year one are there is a good turne to were down £84.43m (£65.96m) that there is a good turne to when hank loans and overdrafts the company's products despite with hank loans and overdrafts the difficult conditions in the

> AYRSHIRE METAL Ayrshire Metal Products is 10 discontinue the sale and manu-facture of office and factory

partitions which has not sold well Peak Investments "have made a for some years. It says it has consistent contribution to group authorised substantial invest-profits" says Mr. R. Dingle, a meot in its principal activity at WESTWOOLS/

WESTERN LIVESTOCK Westwools Holdings anneu

ced that agreement had been reached with Citicorp Australia, to purchase that company's

shareholding of 1.48m aharea of 30 cents each in the capital of-Western Livestock. In making the announcement, Mr. F. R. Blakiston, managing director of Westwools, said the purchase price of the abares was 24.5 cents aach and represented. 43.5 per cent of the issued capital in Western Livestock. Westwoola intends, subject to governmental and statutory, approval to take over the remaining issued sbares on terms not, less favourable than 24.5 cents per abare.

When hoth Boards have had discussions more specific information will be advised to the respective sharebolders. Western Livestock's operations cover wool broking, wool trading livestock, rural merchandise

fertilisers and the sale of rural property, J. BARRAT TAKEN OVER

The assets and goodwill of J. Barratt the Staffordshire based engineering concern has been have grown from £22m to f4im yield of 10.9 per cent, ensuring acquired by local businessmen for the year ended September 30, a small premium acquired hy local businessmen-in a deal thought to be worth

and Comercial Finance Corpora the next two years but then tion is to take a 30 per cent recovered to £2,024,000 in 1977. tion is to take a 30 per cent-stake in the company set up bythe businessmen Mr. P. J. Bailey year, and Mr. A. H. Leonard, to acquire the Barnatt's business and will

also provide the company with rep a £400,000 long term. loan of facility.

WIMPEY IN BRAZIL WIMPEY has formed George long term he' believes that Wimpey do Brasil to co-ordinate company can maintain a good. Wimpey do Brasil to co-ordinate its activities in Brazil. Mr. Peter Cook bas been appointed director general hased in Rio de Janeiro,

MINING NEWS

Gold

output

Sy Stephen Thompson

Caledonian The prospectus is published of, £88,012, unsecured loans o today in connection with the offer £37,553, ansecured loan stock of for sale of Caledonian Holdings, £1.64m, leasing and formerly Stenhouse Industries. purchase commitments of f0.25m Proceeds will amount to about and guarantees of £0.22m. In E5.94m net and will initially be addition Caledonian owed £0.33m used 10 reduce Stenhouse on carrent account to Stenhouse. Group's borrowings and to create

Brokers to the issue are W Greenwell and Co. and Parsons additional liquidity. The offer for sale-by Noble and Co. Grossart-is of 10m ordinary Applicat Application list opens and shares of 25p each at a price of closes on Thursday,

65p per share. In order to assist Stenhouse shareholders to retain Stenhouse shareholders will be As part of financial consideration will be As part of an interest in caledonian's profits profits and caledonian's profits shareholders in respect of a the last five years has been maximum im shares. maximum 1m shares.

The directors of Caledonian Caledonian is are not making a forecast for glamour stock. the current year to September 30, company is an industrial 1979, but say they are confident conglomerate with an invisual of being able to report "satisfac mir of activities a factor which

of being able to report "satisfac mir of activities—a factor which makes comparisons difficult. The However, assuming a 10 per engineering, side the largest cent increase on last year's single division—is not a star £2,443,000 pre-tax, the company performer, in spite of being; is coming to the market on a involved in the motor and prospective fully-taxed p/c of 5 domestic appliance industries, On the forecast dividend of 4.75p hoth of which have been buoyant net the yield is 10.9 per cent. recently. Also jewellery mana-Caledonian is a diversified con-facture, almost as important, sumer products group with about seema to ha lagging behind the a third of profits coming from profits performances of the engineering products, about 30 major retail rhains. The only per cent from jewellery, just over jewel in the crown seems to be

per cent from jewellery, just over a quarter from home improve the home improvement division, ment products and the balance where profits should make good ment products and the patance where profits should make good from ladies hoslery. headway on the back of the DIY Most of the present trading boom. Overall, assuming a subsidiaries ware formarly part f2.7m pre-tax outcome this year, of John Wallace and Sons. The the prospective fully-taxed p/e of John Wallace and Sons. The the prospective fully-inted p/e group currently employs some of 5 reflects the unarriting 2,800 people. Since 1974 Caledonian's sales wall because of the well-covered

1978 more than £500,000. Profits in 1974 amounted to As part of the deal Industrial £1,862,000, fell back alightly over. rising to £2,443,000 the following

> At September 30, 1978 shareholders' funds stood at £6,991,000 representing a net asset value of 69.91p per share. Mr. Roy Burns, Caledonian's chairman, reports that there was a good start to the current year,

particularly in the home improvement division. For the return on capital employed. At December 31, 1978 the sompany's indebtedness stood at

been added to the Share Information Service appearing in the Financial Times. Kitchen Queen (Setilon: Drapery and Stores); Northern Goldsmith (Section: Drapery and Stores).

The following securities have

FT Share

Service

jewel in the crown seems to be

Stenhouse

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WRRI

certainly no Basically, the

n's profits record-over

NEW LOAN FOR ALLIANCE INV

Alliance Investment Company company's indeptedness stood at Amance-investment Company's indeptedness stood at Amance-investment Company fills, including outstanding has airanged a new loan, of unsecured hank overdrafts of Y200m with Morgan. Guaranty f0.6m, secured vebicle stocking. Trust Company of New York for finance of f0.23m, acceptance a period of about two months to credits of f0.5m; secured loans. March 20 1979.



areas of the group's financiog activities debtors and factored debts were up £141.3m ' at £479,6m. Meeting, Hyde Park Holel, SW, on February 14 at noon.

pertormance:

Highdemand, improved

Highlights of a successful 12 months for Lloyds and Scottish

The Group, one of the country's leading Finance Houses, benefited from improved performance in most of its activines, particularly instalment credit and leasing, and from the relatively lower average cost of money -3.5 percentage points below the average rate over the previous 12 months.

Pretax profits up over 50% to £26.2m

Demand for financing was high and the Instalment Credit and Leasing Division increased profits significantly. Associated companies and joint ventures - where Lloyds and Scottish forms partnerships with majot nanonal and international manufacturers and retailers, and helps to finance their consumer sales - are proving to be a major source of strength for the Group.

Instalment and factored debtors increased by 43%

In the Industrial and Commercial Division, the factoring companies performed particularly well. Caledonian Tractor and Equipment Co. Ltd. suffered the only significant profit reduction, due to low demand for earthmoving equipment in Scotland.

During the year, the Group made a number of acquisitions, including a 50% interest in RIGP Finance Ltd. (credit finance for motorcycle sales) and the UK factoring subsidiary of the Bank of America.

Maximum permitted dividend (total 4.40692p, covered 2.95 times]

Although the profits of British Relay Wireless and Television Ltd. improved, this company has continued to yield an unsatisfactory return despite reorganisation and strengthened management. Since the year end, the company has been sold to Electronic Rentals Group Ltd.

Also following the year end, Lloyds and Scottish has made an offer totalling £9.6m., which has now become unconditional, to acquire Cedar Holdings Ltd. This will give the Group a strong base in the UK's growing personal finance market and complement the Group's other financing activities.

Gross assets exceed £700m

On future prospects, the Chairman, Mr G. Duncan, makes the following comment in his statement to shareholders. "Lloyds and Scottish has considerable resources in all the areas in which it is involved, but the extent to which its strengths will be reflected in improved results will depend, in large measure, on factors outside our control.

Lloyds and Scottish Limited

الكذاء: الكعما

The Bank of England minimum lending rate now stands at 12:5% and the overall cost of funds continues to rise. The Government has committed itself to restraining inflation through its fiscal and monetary policies and we are informed that 'The Corset' will remain in force unril at least June 1979. These are factors which will not favour our operations.

Earnings up from 9.31p to 13.07p per share

We shall, however, benetit from the release of runds following the sale of BRW and I am confident that, in spite of the constraints imposed upon us, we shall continue to take full advantage of such opportunities as exist for improving our performance in the interests of our shareholders."

For a copy of the accounts to 30th September 1978, please complete this coupon and post it to:
The Secretary, Lloyds and Scotrish Limited, 8/9 Chesterfield Hill, London W1X 7RG.
Telephone: 01-491 3236.

Address:	· · · · · · · · · · · · · · · · · · ·	
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parginal increase over that 'or 1977, which was the lowest amount produced for 16 years. The South African Chamber of Mines reports that the December output of 1,760,697 oz brought the year's total to 22,625,995 oz compared with 22,409,486 oz in 1977.

marks time

SOUTH AFRICAN gold produc-

tion in 1978 showed only a

Thus, despite the rise in the gold price from just under \$170 per ounce at the beginning of 1978 to \$226 at the end of the year-it was \$2291 on Friday-South Africa's gold production remains at about 700 tonnes a year. The world'a second largest producer is the Soviet Union with estimated annual exports of

300400 tonnes. Highen gold prices have given the South African mines the opportunity of milling more of the lower grade ore which was previously uneconomic. The resulting production of gold has thus remained fairly static, but ahead despite the continued rise in costs which was of the order of 18 per cent last year. Dividends have also moved on completed declarations for the second half of 1978 are compared in the following table.

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saturn Investment Management Co. Ltd.

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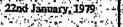
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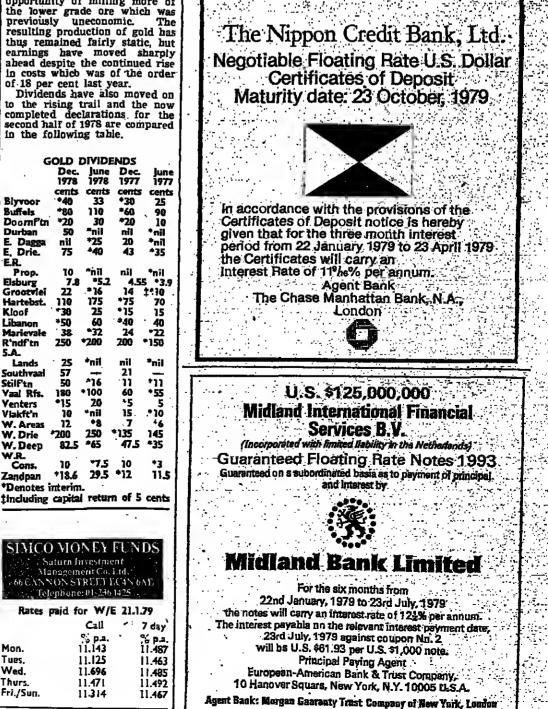
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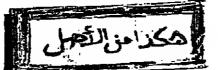
Ist July, 1993 into registered Ordinary Shares of 25p each of The Boots Company Limited, at a Conversion Price, subject to adjustment in certain events, of 216p per share in accordance with the conversion provisions referred to in the terms and conditions of the Bonds, For the purpose of calculating the number of shares to be issued on conversion of the Boods, the Bonds will be taken at their principal amount translated into stering at a rate (fixed throughout the life of the Bonds) of U.S. \$1.8912-61-

Notices of conversion required to be completed and delivered by converting Bondholders are obtainable from the offices of any of the Conversion Agents listed on the Bonds.

The Boots Company Limited







Financial Times Monday January 22 1979 **INTNE. COMPANIES and FINANCE**

Grace offer for Daylin poses problem for Narco

BY JOHN WYLES IN NEW YORK

further strenuous efforts this West Germany's Friedrich Flick \$38 a share offer and will receive a sweek to pull off a \$68.4m Group has a 29 per cart stake. able to accept it. marger with Narco Scientific, However, some of Daylin's own "Without such certainty, we a hospital equipment manu-shareholders are upset about think it unwise to risk tha likeli-facturer.

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DAYLIN INC. the target of a acquire Narco is sparking for "additional information and \$150m bid by the W. R. Grace suspicions that its main purpose assurances" to make certin that group, is expected to make is to drive away Grace, in which its shareholders will receive a

hood that our shareholders would lose an otherwise attrac-

a disperse to risk tha likely that basic approach to Narco because it seemed on the face of lt if it succeeds it will largely would lose an otherwise attrac-last week that Daylin had made account for Daylin's \$46m cash Narco an offer it could not reserves. Moreover, many think refuse. The \$38 per share pro-posal is a full \$10 per share likely. More than an offer. Narco Meanwhile, Narco is worried recommended its shareholders about Grace looming in the to accept from the Borer Group. Darkground and the Pennsyl-fieldly takeovers. However, at about 18 times Narco's vania company issued a state anticipated 1978 earmings, ment on Friday indicating that Daylin's bid is well above the it was tempted by tha offer. and is 2.4 times Narco's book making a part cash, part tax and is 2.4 times Narco's book making a part cash, part tax of discontent among Daylin's yalue. free stock transaction, as Rorer shareholders by boosting its Daylin's evident keeuness to had proposed and it also asked offer.

Troubles in discount sales

averted in Spain By Robert Graham in Madrid THE GOVERNMENT and the banking community have

Banking

collapse

stepped in to avert the collapse of a small family-owned indus trial bank. Banco de Granada. and its subsidiary, Banco de Credito Comercial In a hurriedly agreed move, Banco de Granade has been taken over by the Corporacion Bancaripthe so-called "hank hospital" formed last year by the Bank of Spain and the banking community,

This is the fourth time since the formation of the Corpora-cion Bancaria last February that it has been obliged to take

over an ailing hank. The last occasion was just prior to the referendum in early December, when it acquired a medium-sized family controlled commer-cial bank, Banco da Valledolid. Neither the banking community nor the Bank of Spain were particularly happy about such action as the "hank hospital" was originally concelved very much as a stop gap measure to ensure confidence in the hank-ing system. Indeed, it was hoped among baokers that the first two banks acquired — Cantebrico and Meridional would also be the last.

the case of Banco de Valladolid and now again with Granada and its subsidiary is understood to he the result of strong political pressure from the Government, now gearing up to fight a general

The dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. Dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus") have been officially published. It should be emphasized that the dividends to be declared will not necessarily he at the amounts or rates per cent shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements. announcements. Annsunde ment last yssr Announce ment laat Date 0 zte Firth Brown ... Feb. 23 Int. 1.3 Lloyds Bank ... Feb. 12 Final 4.938 Oiscount...Jan. 22 Final 2.833 Allied Textilo...Jan. 25 Final 3.960 Associated Engineering...Osc. 15 Barclays 8k....Feb. 23 eBAT inds.....Jen. 30 Beth and Portland...Feb. 13 Birmid Jualcast...Feb. 15 Stown Int. 0.888 Final 4.2212 Final 3.42 Final 5.549

The dates when some of the more important company dividend

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	Durmie			
	IluaicastFeb. 15	Final 3.107	Nottingham	_
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	*2rown (J.)Jan, 26		SacuricorFeb. 21	Fin
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Wapen Finance...feb. 17 Final 2.875 * Board meetings mitimaned. t Righto lasue aince medis. t Tax free. \$ Scrij issue aince medio from reserves. Final 2.21 Sec int 7 51587 Final 3.41 Int. 6.0

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BASE LENDING RATES

London Mercantile ... 1219 Edward Manson & Co. 1319 Midland Bank 1219 Samuel Montagu 1219 Morgan Grenfell 1210 National Westminster 121% Norwich General Trust 1219 P. S. Refson & Co. 121 Schlesioger Limited ... 121 Standard Chpriered ... 1219 Trade Dev, Bank 1219 Bank 1219 ngs Bank 1219 ntury Bk. 1319 of Kuwait 1219 idlaw ... 13 lyn's ... 124 1219 an ayms af £10,000 ; up ta £25,000 £25,000 10% ; 10% ; 10%

RECENT ISSUES

UK PENDING DIVIDENDS and NEW ISSUES

EQUITIES 1978/79 Amou Paid Latos Renur Date Stock F.P. -- 28 F.P. -- 106 F.P. 10/1 187 F.P. -- 132 F.P. -- 132 F.P. -- 144 F.P. 9/2 34 F.P. 17/1 136 A\$0.50 A\$125 155 110

25

FIXED INTEREST STOCKS

Fisue Price Am'unt Peid up Latent Rentino Dete	1978/79 High Low	Stock	Olosing Price £	+
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"RIGHTS" OFFERS

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	hanne Price pi	Am 'unt Paid up	Latest Renunc, Date	1P7 High	8/9 Low	Stock	Otosing Prices	+ et	
	60 17 45 250 33 103 200 10 22	F.P. F.P. F.P. NII NII F.P.	19/1/12/2 15/12/25/1 8/12/9/2 15/12/12/12/1 3/1 (2/2 5/1 (25/1 	72 81 57 248 320 71 · 20pm 30pm 17 ¹ 2 38	191 ₂ 47 242 828 66 19pm 24pm 141 ₂	Associeted Biscuit. Bouiton (Wm,1 Foster (Jehn). Lep Group Metal Box. Milbury. Neil & Spencer Poseiden Suter Electrical Defd Yerk Fine WooHen	57 248 312 70 12pm 29pm	+6 .	

Renunciation date usually last day for dealing Ires of stamp duty. b Figures based an prespectus estimate. s Assumed dividend end yield, # Ferecast divi-dend: cover based an previous year's carange. r Dividend and yield based an prespectus or either efficiel estimates for 1979, o Gross. T Figures assumed. ; Cover silows far conversion el shares net now ranking for dividend er ronklan only far reatricted dividende. S Placing price to polders el ordinatry shares es a "rights." ** Issued by tender. Il Offered to holders el ordinatry shares es a "rights." ** Issued by way of capitalisation, §§ Reintroduced. ¶I Issued to larmer preferonce holders. Millotment letters (ar fully-psid). @ Provisienal er partly-paid allotment letters. * With warranta. ft Unlisted security.

CLIVE INVESTME	INTS LIMITED
1 Royal Exchange Ave., Londoo Index Guide as at January 9. Clive Fixed Interest Capital Clive Fixed Interest Income	1979 (Base 100 on 14.1.77) 129.93

LG. Index Limited 01-351 3466. Three month Copper 859.75-867.2 29 Lamont Read, London SW10 OHS.

- Tax-free trading on commodity fntures. The commodity fntures market for the smaller investor.

I	ALLEN HARVEY & ROSS INVEST. MANAGEMENT LTD.
ł	45 Cornhill, London, ECSV 3PB. TeL: 01-623 6314. Index Guide as at January 18, 1979
ļ	Capital Fixed Interest Portfolio 100.11 Income Fixed Interest Portfolio 97.75
ļ	Lacone rice interest rondons

Silverthorne **Group Limited**

division add to Food Fair loss PHILADELPHIA-Food Fair Food Fair said the final report ment previously had ennonnced which is operating under Chap. for fiscal 1978 should be ready ter 11 of the Bankruptcy Laws, in about four to six weeks.

expects to report a loss for fiscal 1978 (July 29) of about \$52.5m, compared with a year-agn profit of \$7.4m.

Food Fair estimated fiscal 1978 sales of \$2.8bn, compared with \$2.4bn last year. division.

The company said the pro-jected 1978 loss includes a pretax loss of about \$61. which \$19.2m is attribut its J. M. Fields discou chandising division. -

Food, Fair said th amounts are subject to tion of an andit cu being conducted hy Laven accountants. . y . y .

of store and-facilities closed since July 29 last year.

Accountants. Mr. Grant C. Gentry, Food Carrier Corporation to see a Fair's newly-elected chairman, any violations of securities laws noted that the preliminary are involved. The disclosure was made in papers filed here with the SEC.

a cumulative profit of \$282,000 for the first nine months of The company also said its fiscal 1978.

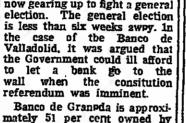
auditors plan to disclaim an In view of the reported loss for the year, however, Mr. Gentry said he has requested opinion on that earnings statement, primarily due to their inability to rely on the adequacy Touche Ross to conduct a review of the internal accounting con-trols of the J. M. Fields of the previously raported nine months earnings and for the 28 weks ending February 10, 1979. Reuter.

Food Fair said its manage-

igate bid

outstanding stock. under a temporary restraining

l the



lection. The general election less than six weeks 2007. In the case of the Banco de alladolid, it was argued that the Government could ill afford be let a benk go to the all when the consitution ferendum was imminent. Banco de Graneda is approxi- ately 51 per cent owned hy e Rodriguez Acosta family. It this share that the Corpora- on Bancaris has hought, for nominal peseta.	Consolidated Credits 124% Co-operative Bank*124% Corinthian Securities 124% Credit Lyoonais 124% Duncan Lawrie	Trustee Saving Tweotieth Cent United Bank of Whitesway Lai Williams & Gl Yorkshire Bank Members of the A Cemmittee. 7 -day depesits depesits 10%. 7 -day depesits end under 10% 10%, end over E 2 Call deposits over 8 Oemend deposits
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Record saving funds total A RUSH by high-rate taxpayers £10.93bn. GOLD

Jan, 18 Jan, 18

5261-2612

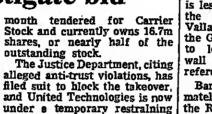
\$2441-24

(£125-124) (£1211-1221)

to invest in the 14th issue of The department received National Savings Certificates £64.9m from investors huying before they are withdrawn the 14th issue, and made repayhelped increase the National ments of £15.8m to holders of Department's total Savings this and previous issues (evludfunds under management by ing the special pensioners' £75.17m last month to a record issue).

GESTETNER HOLDINGS LIMITED

THE ANNUAL GENERAL MEETING will be held at 10.30 s.m. on 5th March, 1979 at the Gestetner offices (Tottenham Hale entrance) London N17 9LT for the purposes of :--



1.3m. of		
itable to int mer-	SEC to inves	sti
te 1978 comple- urrently	WASHINGTON — United Technologies Corporation said that the Securities and	mon Stor shar

and Horwarth, its independent Exchange Commission is investi-

geting its tender offer for

vas made in papers filed here order harring it from further is with the SEC. purchases of Carrier Stock. to United Technologies last Reuter

CURRENCIES, MONEY and GOLD

A tale of two evils

BY COLIN MILLHAM

Interest rates in the strongest Dutch short-term interest rates 1976. economy in Europe—West Ger. were also cut, and day-to-day The many—moyed in the oppasite money in Germany was rather techn direction from most other different however, with the other countries on the Continent last Bundeshak raising its Lombard which week, illustrating some of the rate hy] per cent to 4 per cent some weeks.

technical, while many of the others were a reaction to trends which have been developing for some weeks. In Frankfurt the tightening of Krugerrand.....

problems of running such an and increasing the minimum re- In Frankfurt the tightening of domestically economy; and a very firm serve ratios of banks on Thurs credit was largely caused by the day, as a move to drain some of sharp growth in Germany's Hew Soverelans.

The French move was purely

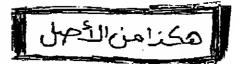
Gold Buillonta fine

12 (14.875) (2118.815) Afternoon fixing... \$230.55 (2118.816) (2114.884) (2115.270)

\$2461-248

The decision to intervene in

currency.	day, as a move to drain some of	sharp growth in Germany's He	W Sovereigns	1. Receiving and adopting the report and accounts.)}
Mr. Callaghan would probably exchange his present troubles for	the liquidity out of the domestic	broadly defined money supply nid	(£323-553) (£234-553) d Soverelgns	2. Declaring the final dividends recommended in	the Year to 1st October 1978 1977*
those of West Germany; hut Bonn does face a dilemma at the	The Belgian National Bank cut	THI PET CENE againor a ranger or ool	Id Coins,	directors' report. 3. Reappointing Deloitte Haskins & Sells (formerly Delo	
-moment over economic perform-	certificates once again last week.	economic growth, German Kr	uzerrand	 Reappointing Deloitte Haskins & Sells (formerly Delo & Co.) as suditors of the Company until the conclus of its next annual general meeting. 	Turnover 3,982,110 3,682,275 Profit before tax 274,145 234,596
ance and monetary growth. While credit conditions were		money cupply figures hold a	w Soversigns	4. Passing the following resolution to be proposed as	an 1 Tay 126,632 70,556
eased in Belgium and Italy,	and a fall in the discount rate on the penal "B" quota. At the	threat of increased inflation. Old Switzerland has suffered from sec	d Soversigns	ordinary resolution, special notice having heen gi pursuant to sections 142 and 185(5) of the Compar	Dividend – Interim
CURRENCY RATES	same time the Bank of Italy eased its restrictions on the er-	similar problems for the same sit	0 Eagles	Act 1948;	and proposed Final 52,500 42,000
Jan. 19 Special European Drawing Unit of	pansion of Bank credit, and			THAT Mrs. H. Gesteiner O.B.E., a director retir by rotation, who has attained the age of 70 years	he
Rights Account	ease in Holland, although credit		AND FORWARD	and is hereby re-elected a director of the compa	iny. trading period reported in the 1977 Report and Accounts.
	shortages are likely to continue in the short-term. On Friday a			Holders of share warrants to hearer who wish to attend he represented at the Meeting should deposit with the C	om- []
Canadian dellar	Dutch hank announced a cut in its prime rate by 1 per cent to	0.52-0.47c pm _ 3.07 1.67-1.62c pm 3.30	1Canadat 84.13-84.25 84.22-84.25 0NethInd. 1.9843-1.9900 1.9685-1.9900 1Balgium 29.02-29.07 29.04-29.07	pany's Registrars, Barclays Bank (London and Internation Ltd., Registration Department, Radbroke Hall, Knutsfo	brd,
Deutsche Merk 2.37990 2.50707.	11 per cent in response to de- clining interest rates in Amster-	1.00-1.500me dis -2.84 3.20-3.700me dis -2.77 1.18-1.13pf pm 7.58 3.24-3.19pf pm 7.43 28-380 citis -0.50 50-115e dis -7.76 15-25e dis -3.33 70-80e dis -4.33	Denmark 5,1000-6.1150 6.1100-5.1150 2W. Ger. 1.8370-1.8435 1.8426-1.8435	Cheshire, WA16 9EU, not later than 48 hours before meeting, the certificate of an Authorised Depositary that s	the
French franc	dam, and this is expected to be	28-38c dis 8.50 50-115c dis 7.66 15-25c dis 3.33 70-80c dis 4.33 0.95-1.35 line dis 1.46 2.90-3.50 line dis 1.33	Pertugel 46.50-46.65 46.55-46.65 DSpain 69.72-68.84 69.79-69.84	warrants are held to the order of the Registrars.	performance. The only area of weakness was that of
Yan 255.082 269.845	followed by other banks. In Paris on Friday call money fell	2.10-1.70ors pm 3.79 5.65-3.25ors pm 2.53	81aly 833.50-834.50 834.834.50 3Norway 3.0550-5.0560 5.0620-5.0660 5France 4.2235-4.2370 4.2340-4.2370	A member entitled to attend and vote at the meeting is entit to appoint one or more proxies to attend and vote for him	A Joseph Gillott and Sons Ltd. the furniture castor
Pesete	to 6 per cent, from 7 per cent, the lowest level since January 13,	1.00-0.80cm pm 2.68 3.00-2.80cm pm 2.81 1.75-1.65y pm 10.12 4.55-4.45y pm 2.15	1 Sweden 4.3360-4.3420 4.3390-4.3420	proxy need not he a member of the company. To be effect such proxies must be received by the registrars not less th	ive. [] menulacionng chimpany in Dudley. The chain saw and
Swiss franc 2.16560 2.27835		7-89re pan 5.82 17.75-15.00gro-pan 4.67 1.58-1.53c pan 10.98 4.56-4.51c par 10.91	13witz. 1.6700-1.6750 1.6730-1.6750	forty-eight hours hefore the time fixed for the meeting.	year. Silverthome Housewares Ltd. was very active both in
THE POUND SPOT	FORWARD AGAINST £	† U.S. cents per C	anadian S.	Directors' contracts are available for inspection at registered office until after the meeting.	the its marketing and product development programme and the Abbey Metal Finishing Company was busy throughout the
Jan. 19 Facki Jan. 19 Vate Days Close	One menth % p.a. Three % p.a.	OTHER MARKETS		41 Fawley Road, By order of the bo	ard period.
				London N17 9LT J. A. BARNE 19th January, 1979 Secret	ary [] Given reasonable stability in aconomic and trading conditio
Ganadian SI 114/ 2.5750-2.58852.6770-2.5785 Guilder 81g 3.9708-4.0005 5.88-5.99	2-1c.pm 4.52 8-5 c.pm 6.53.	Jan 12 9 Argentina Peso 2068-2088 1032-104	Note Rates		the Group should see a steady advance in the year ahead. The proposed total dividends at 1.5p per share would be
Belgian F 6 58,10-58,40 58,15-58,25 Ganieb C 8 10,2200-2505 10,2305-2405 D mark 5 8,68-5,7005 3,6805-3,6905	25-15 c.pm 4 15 70-60 c.pm 4.47 per-2 ore dis -1.17 3-23 ore dis -0.68 34-73 pf 2m P.35 9-8 pf om 9.31	Australia Dollar 1.7360-1.7600 0.8753-0.8 Brazil Cruzelro 42.03-43.03 21.00-21.	8765 Belgium	· · · · · · · · · · · · · · · · · · ·	equivalant tn a total dividend of 22.39 per cent gross.
Port. Esc. 18 65.95-64.00 + 95.10-95.000 Span. Pes. 0 159.75-140.30 139.95-140.05	45-85 c.dls -8.35 70-250 c. dis -6.45	Finland Merkin., 7.905-7.815 3.9490-3.9	9310 France	UCOBANK HAS MOVED	
Lina 1012 1,981-1,675 1,670-1,671 Nrwan, K. 7 10,18-10,36 10.14-10.15	54-24 ore pm 4.44 122-101orepm 4.63	Iran Biat. 153,25-183,251 781-811	7550/taly		Annual General Meeting: 15th February, 1979.
French Fr. 91e 8.4605.8.4300 8.4705-8.4805 Swedlahkr 01e 0.68-9.72 8.69-8.70 Yen 61e 592-402 396.05-539.05	4-20repar 4.14 (1-30repar 4.00	Lintembourg Frc. 58.15-58.25 22.04-82. Malaysia Dollar., 4.3215-4.4650 2.1960-8.1	.07 Norway	C. TODAV	and the second second second second second second second second second second second second second second second
Yan 518 592-402 598.05-538.05 AustriaSch 419 28.35-27.10 27.00-27.05 Swiss Fr. 1 5.5405-5.5705 5.3475-5.2575	96 Jacming 8 81 5545 m pm 7.34	New Zeeland Dir. 1.8205-1.8963 0.9420-0.2 Saudi Arab. Riyal 2.61-6.71 3.3160-3.3	2445 Spain	from TODAY	THAT A TRETTAT
aelgium rate is for convertible	Six-month larward dailer 1.82-1.92c	Singepore Dollar, 4.3213-4.3355 8.1610-2.1 Stb. African Rand 1.764755-1.760962 0.8560-0.8		United Commercial Bank	MARTIN
francs. Financial franc 59.30-59.40.	pm, 12-menth 3.30-3.40c pm.	Rets given for Argentia	ne la frès rête.	has moved into	the newsagent limited
				Ilas Invvcu mu	
EXCHANGE CROSS RATE		FrenchFranc Swiss Franc Outch Guild'r Italiau	n Lira (Canada Dollar) Selgian Franc	2nd Floor, Lee House	Profits again a record at
Pound Sterling	8.004 3.690 3P7.5 1. 1.848 128.4		271. 8.378 58.20 4.0 1.187 2P.03	London Wall	over £3 million for 1977/78
U.S. Dollar 0.499				London EC2Y5DT	
Deutsche mark 0.271 Japanese Yen 3,000 2.518	0.543 1. 107.7 5.040 P.883 1000.		04. 6.982 146.4	Telephone:	Mr. J. B. H. Martin, Chairman, reports:
French Franc 10 1.179 Swiss Franc 0.868	2.363 4.351 468.2 0.398 1.101 118.e	10. 3.953 4.699 18 2.529 1. 1.189 49	171. 2.804 68.63 8.4 0.709 17.36	01-606 9212	
Dutch Guilder 0.251. Italian Lina 1,000 0.598	0.503 0.928 92.75 1:199 2.208 837,P	2.128 0.841 1. 41 5.07d P.00e 2.385 10	2.3 0.527 14.50 00. 1.4P3 34.83	Telex:	Despite continued disruption of the
Ganadian Dollar	0.843 1.552 157.2 3.442		2.7 1. 24.47 171. 4.05e 100.	885331 UCOBNKG	newspaper industry and a
Balgian Franc 100 1.718	3.442 _ 1 6.340 685.0		11. 1 4.00C 1 100.		contracting tobacco market, sales
IONDON MONTY DATES			IONEY RATES	Chief Manager: V. Ahuja	increased by 18% and profits at
LONDON MONEY RATES	The second and the Firesen 1		WYORK	(Wholly owned by the Government of India)	£3,159,000 exceeded £3 million
	Local Local Auth. Finance	Diacount Eligible Fine NE ny market Treasury Bank Trade Prin 3 deposit Bills & Bills & Fad	me Rate		for the first time.
Jan. 19 Certificate Interbank	Local (Local Auth.) Finance Authority inegotiable House Compan Authority inegotiable House Compan	sideposit, Bills 🏚 🛛 🕮 🗛 🖉 Bills 👁 🖉 🗛			
1979 on deposit	113a-12	9-11 Trea	teury Bills (13-week) 9.45 seury Bills (28-week) 9.56	Helping people to help themselves - profitably	
Overnight 71e-121e	110-1170 - 1130-12		aeury Bilis (13-week) 9.45 aeury Bilis (28-week) 9.55	Helping people to help themselves - profitably	At least £2 million planned to be
Overnight 71e-121e	110-1170 - 1130-12	9-11	RMANY count Rate	,	At least £2 million planned to be spent on additional retail outlets
Overnight 71e-121e	110-1170 - 1130-12	9-11	RMANY count Rats	FINANCE FOR INDUSTRY TERM DEPOSITS	At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened.
Overnight 71e-121e	110-1170 - 1130-12	9-11 Treat 1114-117a GEI 1114-117a 1114-117a 1574-121a 1P14 Olat 1118-117a 1114-117a 1574-121a 1P14 Olat 1118-117a 1114-117a 1574-121a 101a Over 1118-117a 1114-117a 1574-121a 101a Over 1118-117a 1114-117a 1574-121a Test Over 1118-117a 1114-117a 1574-121a Test Over State Thest State	RMANY 3 count Rats 3.70 minpht Rets 3.70 menth 2.90 ree months 4.15 monthe 4.25	FINANCE FOR INDUSTRY TERM DEPOSITS	At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened.
1979 on. deposit Overnight	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	9-11	RMANY 3 count Rats 3.70 immipht Rets 3.70 menth 2.90 nee months 4.15 monthe 4.25 ANCE 9.3	FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 sccepted for fixed terms of 3 years. Interest paid gross, balf-yearly. Rates for depos received not later than 26.1.79. Terms (years) 3 4 5 6 7 8 9 1	At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened. Sales for the first nine weeks of the
1979 on.deposit Oversight 7a-1319 2 days notice. 712-12 7 days of	113-1178 - 113-12 1179-12 - 1178 1179-12 1210-101a 1214 1179-12 1210-101a 124e 1179-12 1210-101a 124e 1010-1212 1216-1212 125e 1010-1212 1216-1212 125e 1010-1212 1216-1212 125e 1010-1212 125e 1054 1210-1212 1278 - 12112-121a 12-128a 1054 12112-121a - - 1212-121a 1054 - 1212-121a - - 123-121a - - 123-	9-11 - - Treat - - - - - Treat 1114-117a - - - - GEI 1114-117a 1114-117a 157t-121a 1P14 Olar 115a-117a 1114-117a 157t-121a 1P14 Olar 115a-117a 1114-117a 157t-121a 1914 Olar 115a-117a 113t-123rt 135 Thn - - - - - - - - - - Stat - - - - - - - - - - - - - - - - - - ya'' fixed.<	RMANY 3 count Rats 3.70 immight Rets 2.70 imenth 2.90 ise months 4.15 months 4.25 ANCE 9.3 count Rets 9.3 month 5.555	FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 sccepted for fixed terms of 3 years. Interest paid gross, balf-yearly. Rates for depos received not later than 26.1.79. Term3 (years) 3 4 5 6 7 8 9 1 Interest % 121 121 121 121 121 121 121 121	At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened. Sales for the first nine weeks of the current year show an increase of
1979 on.deposit Oversight 7a-1319 2 days notice. 712-12 7 days of	113-1178 - 113-12 1179-12 - 1178 1179-12 1210-101a 1214 1179-12 1210-101a 124e 1179-12 1210-101a 124e 1010-1212 1216-1212 125e 1010-1212 1216-1212 125e 1010-1212 1216-1212 125e 1010-1212 125e 1054 1210-1212 1278 - 12112-121a 12-128a 1054 12112-121a - - 1212-121a 1054 - 1212-121a - - 123-121a - - 123-	9-11 - - Treat - - - - - Treat 1114-117a - - - - GEI 1114-117a 1114-117a 157t-121a 1P14 Olar 115a-117a 1114-117a 157t-121a 1P14 Olar 115a-117a 1114-117a 157t-121a 1914 Olar 115a-117a 113t-123rt 135 Thn - - - - - - - - - - Stat - - - - - - - - - - - - - - - - - - ya'' fixed.<	RMANY 3 count Rats 3.70 mapth 8.90 remonths 4.15 monthe 4.25 ANCE 9.3 count Rets 9.3 might Rate 6.0	FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 sccepted for fixed terms of 3 years. Interest paid gross, balf-yearly. Rates for depos received not later than 26.1.79. Term3 (years) 3 4 5 6 7 8 9 1 Interest % 121 121 121 121 121 121 121 121 121 1	At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened. Sales for the first nine weeks of the current year show an increase of
Der monthe 1215-1219 7 days et	1109-1178 - - 1139-12 1179-12 1210-1818 1210 1179 1179-12 1210-1818 1240 1179 1179-12 1210-1818 1240 1814 1121-121 1210-1818 1240 1814 1824-1219 1210-1812 1256 1834 1824-1219 1210-1814 1278 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 112-1828 1834 - 1814-1218 12-1828 1834 - 1814-1218 112-1828 1834 - 1814-1818 118-1118 11788 - 1814-1818 11788 1818 11788 <td>9-11 Treat GEI 114-113 GEI 114-113 114-117 157-121 1914 Olat 115-1173 114-117 187-121 121 Over 125-1273 124-123 121 Over Over Sur Sur Sur ys' fixed. * Long-term lecal autherity Disc Over Over owr-month bank bills 127,-13 psr cent. Over Over Over Over Over Over Over Over Over Over</td> <td>RMANY 3 count Rats 3.70 manth 2.90 me months 4.15 months 4.25 ANCE 9.3 count Rets 5.0 month 5.60 se months 6.0 smoth 5.5625 rmonths 6.75</td> <td>FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 sccepted for fixed terms of 3 years. Interest paid gross, balf-yearly. Rates for depos received not later than 26.1.79. Term3 (years) 3 4 5 6 7 8 9 1 Interest % 121 121 121 121 121 121 121 121 121 1</td> <td>At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened. Sales for the first nine weeks of the current year show an increase of</td>	9-11 Treat GEI 114-113 GEI 114-113 114-117 157-121 1914 Olat 115-1173 114-117 187-121 121 Over 125-1273 124-123 121 Over Over Sur Sur Sur ys' fixed. * Long-term lecal autherity Disc Over Over owr-month bank bills 127,-13 psr cent. Over Over Over Over Over Over Over Over Over Over	RMANY 3 count Rats 3.70 manth 2.90 me months 4.15 months 4.25 ANCE 9.3 count Rets 5.0 month 5.60 se months 6.0 smoth 5.5625 rmonths 6.75	FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 sccepted for fixed terms of 3 years. Interest paid gross, balf-yearly. Rates for depos received not later than 26.1.79. Term3 (years) 3 4 5 6 7 8 9 1 Interest % 121 121 121 121 121 121 121 121 121 1	At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened. Sales for the first nine weeks of the current year show an increase of
Demonstration in the set of the s	1139-1178 - - 1139-12 1179-12 1210-101a 1214 1178 1179-12 1210-101a 1214 1014 1217-12 1210-101a 1244 1014 1210-121a 1216 1215 1255 124-121a 1216-121a 1256 1034 1212-121a 1278 1034 - 121-121a 12-1235 1034 - 123-123a 123-123a 1034 - 123-123a 127-123a 1034 - 123-123a 127-123a 1034 - 123-123a 107-123a 107-123a - 123-123a 107-123a 107-123a 117-123a 123-123a 107-123a 107-123a 117-123a 123-123a 107-123a 107-123a 117-123a 123-123a 107-123a 107-123a 117-123a 123-123a 107-123a <td< td=""><td>9-11</td><td>RMANY 3 count Rats 3.70 menth 2.90 ree months 4.15 monthe 4.25 ANCE 9.3 count Rete 9.3 imonthe 5.0 imonthe 6.02 monthe 6.625 monthe 6.75 PAN 3.5 count Rate 3.5 i (Unconditional) 4.75</td><td>FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 sccepted for fixed terms of 3 years. Interest paid gross, balf-yearly. Rates for depos received not later than 26.1.79. Term3 (years) 3 4 5 6 7 8 9 1 Interest % 121 121 121 121 121 121 121 121</td><td>At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened. Sales for the first nine weeks of the current year show an increase of</td></td<>	9-11	RMANY 3 count Rats 3.70 menth 2.90 ree months 4.15 monthe 4.25 ANCE 9.3 count Rete 9.3 imonthe 5.0 imonthe 6.02 monthe 6.625 monthe 6.75 PAN 3.5 count Rate 3.5 i (Unconditional) 4.75	FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 sccepted for fixed terms of 3 years. Interest paid gross, balf-yearly. Rates for depos received not later than 26.1.79. Term3 (years) 3 4 5 6 7 8 9 1 Interest % 121 121 121 121 121 121 121 121	At least £2 million planned to be spent on additional retail outlets during 1978/79. 500th branch recently opened. Sales for the first nine weeks of the current year show an increase of
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INSURANCE

26

APPOINTMENTS

WORLD STOCK MARKETS

Indices

Judgment pact talks	Trafalgar House
raise legal worries	subsidiary post
BY OUR INSURANCE CORRESPONDENT	W

manager.

INSURE^RS—companies Lloydo underwriters—are wait- claims that would have no bope ing for yet another draft of the

gather support, whether for pre-viously stated fundamental opposition or for further dealled amendment if opposition is not

amendment if oppoaition is not to be heeded. When the proposed convention was discussed in 1978, insurers were told that the final draft would bave to be agreed with U.S. negotiators this spriog or early summer to allow time for a Bill to be prepared and passed our what Britisb lawyers and to keep from the front door. It is the duty of this country's practicable that justice is done through Westminster by Summer next year.

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and the contingent fee system-

ing for yet another draft of the much discussed Reciprocal Judgments Convention with the U.S., first proposed, if m^emory serves correctly, in 1976. The fear is that when this new draft appears, they and other opponents of the convention (principally the Confederation of British In^dustry and the Lawyers' Association) will have all too little time in which to gather support, whether for pre-

Insurers hold that the U.S. legal system—not, of course, one hut a separate one in ezch State—is an alien system and

courts to eosure so far as is practicable that justice is done courts to eosure so har as is practicable that justice is done for British citizens and enter-prises in disputes. It is the clear duty of the Crown's legal officers and general manager of Product Resources, has heen made man-aging director of the newly

and is respon the development of the group's UK husiness. * Mr. R. Beardsmore has been spoolnted a director of MON-MORE TUBES, part of the tube division of Ductile Steels and Mr. T. D. Morris has joined Mr. T. D. Morris has joined Mr. T. D. Morris has joined DUCTILE SECTIONS as director and general manager. * Mr. C. G. Porter, joint manag-ing director, Travis and Arnold, has succeeded Mr. L C. Robey and Williams production control manager. * Miss Jenny Back

BUILDERS MERCHANTS. T Mr. G. C. Mapwick retires as chairman and memher of the Board of the ROYAL NETHER-LANDS AIRCRAFT FACTORIES on Fehruary 1. At the same time he will withdraw from his various appointments with the subsidiary companies of the FOKKER GROUP, hnt will continue as consultant to the supervisory Board. Mr. F. Swarttouw has ben nominated as the new chair-msn of the Fokker Board of Miss Jenny Bacon has heen appointed controller of the train-ing services hranch of the MAN-POWER SERVICES COMMIS-SION'a training services division. * Mr. Hugh Eddowes has become technical director of APV-KESTNER and Mr. Frank Shaw has been appointed financial man of the Fokker Board of management.

Mr. Michael Gill, previously

ज	
Mr. John Franklin has rejoined the Board of MWP	TEL AVIV
INCENTIVES as a non-executive director.	Prices change Company Jen, 21 en the 1979 week
Mr. Michael J. Allwood has	Banking, Insurance and Finance
been elected director designate	Sank Leumi le lamet 387 + 17.0
	102 Bankholding 500 + 10.0
of BROWN JENKINSON AND	Sank Happelim Br 542 + 7.0
CO.	Unien 2k, largel 2r. 477 + 47.0
* .	United Mizrahi 2enk 278 + 17.0
Mr. Jim Alexander bas been	Haganeh Ineur, 2r. 459 + 50.0
	Gen. Mert, 2k. 2r 390 + 35.0
appointed managing director of	"Tetahet" Isrl. Mtg. 391 + 12.0
COOPER HEALTH PRODUCTS	Land Development
the UK subsidiary of Cooper	Ainca largal invast, 1.092 + 62.0
Laboratories Inc. He · also	Israel Land Oev. Sr237,5 - 13.50
becomes vice president for the	Property & 2uilding . 427 + 27.0
	Public Utility
Cooper international division-in	Israal Elactric Corp. 373 + 26.0
charge of European operations.	
Mr. Ray Jorich, the previous UK	Investment Companies Sank Laumi Invest. 443 + 45.0
managiog director, becomes pre-	"Cial" Israel Invest. 402.5 - 34.5
sideot of COOPER LABORA-	
TORIES INTERNATIONAL INC.	Commercial and Industrial
TORIES INTERNATIONAL INC.	Alliance Tyre & Rbr. 1,321 + 6.0
*	Elco 2r 237 + S.O
Mr. Alan Packham bas been	Argeman Taxtile 2r. 212 + 14.0 "ATA" Textile "2" 195 + 6.0
appointed an associate director	Amer. Israel Peper 571 + 49.0
of GRINDLAY BRANDTS IN-	Asta
	Elite
SURANCE BROKERS with re-	Teve Reg 650 + 30.0
sponsibility for the servicing of	Fual and Oil
clients of the group's UK non-	Dalek
marioe business. Mr. Nigel	
	Source: 2ank Laumi Je Israel, 9M
Ravenhill bas also beeo made an	Tel Aviv.

Jan, Jen. Jan. Jan. Jan. 12 12 17 16 High Low NEW YORK-DOW JOICES 65.85 65.81 66.64 55,66 1978-79 Since Com Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Jan. | Ja High Low Righ Low MONTRRAL Industrials 857.49 858.14 854.20 955.99 643.67 858.28 907.74 742.12 (22/2) (23/1) (23/1) (23/1) (23/1) (23/1) (22/2) (23/1) (22/2) (23/1) (22/2) (23/1) (22/2) (23/1) (22/2) (23/1) (22/2) (2 Industrial Combined 12.25 (8/7/32) 18.58 (28/4/42 TOBONTO Composite TOHANNESSURG 28,000 87,280, 25,310 30 420, 27 800 87,290 fracing vo 000's _ --lloid Industrial 1 a Day's high 846.67 low 253.94 Jan. Pre- 1916-9 Anstralia(*) 668.34 Belginm 15) 101.55 101.45 102.05 (15/178) Denmark(** 90.54 90.74 128.85 (14/0) France 1111 79.0 78.5 84.0 Germany(11) 826.30 822.3 863.2 (18/10) Jan. 12 | Jan. 6 | Dec. 29 | (Yest ago epprox Ind-div. yield % 3,80 6,84 6,03 5.95 STANDARD AND POORS 1978-79 Since Compilat's Jan. Jan. Jen. Jan. Jen. Jan. 19 12 17 19 15 12 High Low High Low Germany(11) E26.30 832.3 833.6 (12/10) Holland (\$) 85.0 84.5 95.1 (12/10) Hong Kong 635.44 540.37 707.70 (49) (12/10) Italy 1157 71.85 69.34 82.25 (49) (40) Industrials 111.15 111.16 110.57 110.84 112.30 111.41 118.71 95.52 154.54 5.55 \$Composite 88.75 59.72 88.48 59.45 100.59 89.35 165.38 35.90 125.65 4.40 \$Link 112,09 (64) 111.41 112.69 (64) 111.47 35.90 125.65 4.40 Jan, 18 ; Jan, 10 | Jan. 5 Year ago (approx_) 5,04 . 5.13 Ind. div. yield 🕱 4.97 4,91 8,84 8.74 Ind. P/E Ratio 2.01 2.26 Indices and base dates lives 100 except NYSE All 8,26 2.17 Long Gov. Bond yield . 8.97 8.98

EUROPE

Reciprocity	duty of the Crown's legal officers to ensure that existing protec-		Mr. Michael Gill, previously divisional mangger, is appointed				
In theory a reciprocal judg-	tion is not diminished without		agricultural division director of the ABACUS GROUP. Mr. J. W. Pratt becomes chairman and	AMSTERDAM	BRUSSELS/LUXEMBOURG	SPAIN V	TOKYO T
ments convention scems a fair and reasonable way of ensuring	solid, identifiable, quid pro quo. Insurers have said that and	Mr. John Easton has recently been appointed project director	managing director of the parent holding company and Mr. Geof-	Jan. 19 Fis. - % %	Jan. 19. Price + or Frs. Yid. Frs Net %	Asland	Jan. 19 Yen - 2 3
that a litigant in State A in possession of a judgment in its	writing to the Lord Chancellor's	for EARLS COURT LTD.	frey Hall has been made manag- ing director of Abacus Municipal	Alczo (FL20)	Arbed	Banco Central 258	Gasio
courts can enforce that judg- ment quickly and easily in State	interested parties. However,	Mr. Rossell A. Peters, general manager, Fyffes Line, has been elected to the main hoard of	and deputy managing director of Abacus Holdings. Mr. J. R. Cord-	Amroh'k (FI 20) 78.4+0.9 A251 5.2	G.B.R. Cameric, 1100 +10 120 230 Cockerill	2. Cmnada (1,000) 134	Dai NinponPrint 673 12 1.6 Full Photo
B; aod vice versa. The essence of such conven-	those charged with the negotia- tions with the U.S. seam un-	FYFFES GROUP.	rey is appointed deputy manag- ing director of Abacus Municipal.	2uhrm Tetter 77 +1.2 25 6.8 Elsevier (7120) 600 +0.5 27.6 1.8	Fabrique Nat 3.160 +50 100 6.5 G.B. Inno 8m 2.360 +23 160 6.9	Zanco Madrid 211 -	Hitachi
tions, of which many exist world- wide, is reciprocity, But reclp-	wise yet another draft would not	Mr. John Franklin has rejoined the Board of MWP	TEL AVIV	Ennia N.V. 2'rer 145.5-0.9 (A374) 6.1 EurComTst(F110 65 +0.3 94.3 5.3 Cistal Br'cad IFI 41 +0.6 20 4.9 Heineken (FI25) 26.2 +0.8 14 3.7	Gevaert	Banco Popular 210 - 2 9. Bantander (250) 286	C. htph
rocity does not just mean " you enforce my judgments and I will	be on the production line.	INCENTIVES as a non-executive director.	Prices change Company Jen, 21 en the	Hoog'na (FI.20) 33.6-0.2	Intercom,	Senco Vizcaya	LAL 2.830 +10 - 0.4 Kensal Elect.Pw1.230 +10 10 0.4
enforce yours." Implicit in recip- rocity is the requirement that	Awaiting answer	Mr. Michael J. Allwood has		K.L.M.(FI.100) 122 -1.3 +3 2.3 Int. Muller(FI.30 49 -0.4 19 7.8	La Royale Belge 5,200	Banue Andalucis	Kubota 288 15 2.6 Kubota 268 15 2.6 0.4
 the legal processes of the con- tracting states are of comparable 	mooted insurers have been	been elected director designate of BROWN JENKINSON AND CO.		Hat.Ned InsF110 113.1 +0.4 48 4.2 NedCr'd8kF1.20 58.7 -0.5 21 7.1 NedMid8k(F1.70 207.5 +1.0 22 5.6 Oce IF1.20, 172.6 +0.3 36 4.0	Soc Cen Banque 3,350	Oragedos	Mitsubishi Bank 365 1
quality and that the judgmeots are of comparable worth.	asking: "What is there in this for Britain?" Unfortunately,	Mr. Jim Alexander bas been	Unlen 2k, larael 2r. 477 + 47.0 United Mizrahi 2enk 278 + 17.0 Haganeh Ineur. 2r. 459 + 50.0	Oce F .20) 172.5+0.3 36 4.0 OGEM (F .10) 29.5-0.1 23 7.2 Van Immeren 171.5+4.3	Solvay	E. I. Aragonesas 29 - 7 Espanola Zine	Mitsubishi Corp. 438 +5 13 1.3 Mitsui & Co 289 +6 14 2.4
If they are not: if the legal process is, say plaiotiff-oriented	even st this stage they are still		Gen. Mert. 2k. 2r 390 + 36.0 "Tetehet" Isrl. Mtg. 391 + 12.0	Pakhoed (FL80) 49.8+0.2		Fences (1,000) 53 - 0.25 Fences (1,000) 53 -	Hinnon Denso 1.410
In State A and defendant- oriented in State B; if the courts	meot has not yet refuted the		Land Development Alrica lergal invast, 1.092 + 62.0 Israel Land Cev. Sr237,5 - 13.50	Robeco (FI.50) 157.3-0.2 25.6 7.7 Rolineo (FI.60) 130.3 +0.5 s -		Gal. Precisdes	2040 150 48 12
of State A award much greater injury compensation than do	vention is fundamentally	Cooper international division-in	Property & 2uilding . 427 + 27.0 Public Utility Israal Elactric Corp. 373 + 26.0	Roranto (FI.50) 123.6+0.2 19.3 3.2 RoyalOutohF120 128.5+1.1 56.75 2.6 Slavenburg 261 +2.5 20 8.0	Jan. 12 Price + or Div. Yid. Kroner - 2 %	Olarra Papelaras Reueidas 30 - 0.50 Petroliber 108 -	Sanyo Eletrica
those of State B; If the courts of State A claim jurisdiction In disputes which for all practical	has not yet explained how		Investment Companies Sank Laumi Invest, 448 + 46.0 "Clai" Israel Invest, 402.5 - 34.5	Unilever (FL20). 125		Petreleos	Sony
purposes are outside its geo- graphical or compercial orbit,	or how that benefit can be	sideot of COOPER LABORA- TORIES INTERNATIONAL INC.	Commercial and Industrial Alilance Type & Rbr. 1,321 + 6.0	West.Utr. Hypok 429 +0.41 33 3.7	East Asiatic Co. 14034-1 12 8.5 Finansbanken, 157, 13 9.7 Zryggerier	Sogefise	Tellin
while those of State B do not; then theer is no reciprocity.	Peoding those explanations, it is sensible for insurers to	Mr. Alan Packham Das been	Elco 2r		For Papir	Torras Hostench	Toray 183 +5 10 2.7
	maintain their opposition to a	appointed an associate director of GRINDLAY BRANDTS IN- SURANCE BROKERS with re-	Amer. Israel Peper 571 + 49.0 Assie	Jan. 19 Price + or Oiv. Yld. Z - Z Z - Z Z - Z Z - Z Z Z - Z Z Z Z Z	Novoind stries 2 213	STOCKHOLM	Toyota Motor 875 -3 20 1.1
individual United States, many compensation claims succeed-	meot of its worth, must in- evitably involve the export of	sponsibility for the servicing of clients of the group's UK non-	Teve Reg	Perimooser	Oliefabrik	Jan. 19 Price + or Div. Yid Jan. 19 Kronor - Kr. 1 %	
partly because of the jury system and partly because of	substantial British funds across	marioe business. Mr. Nigel Ravenbill bas also beeo made an	Source: Sank Laurd Je Israel, SM	Semperit	Soph.2erensen. 360	ACAA2 IKr, 40). 211	HONG KONG
					GERMANY +	AttasCo'co Kr25i 108 1+4 1 5 5.2	
WALL STREET	r ·				Jan, 12 Price + or Div. Yid.	Cardo	Cheung Kong
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NEW YORK	1278-72 Jan. High Low Stock 19	1278-72 High Low Stock 19	1978-79 High Low Stock 12	1978-72 Jan. Jan. 19	AEG	Esseits (Free)	
, 1978-79 Jan. High Low Stock 19	641g 451a Corning Class: 573g 541g 424 CPC Int m tional 301g	3418 2258 Johns Manville 2414		2258 1758 Weolworth	BASF	Marabou	Hong Kong Land
39 25 Abbott Labs 351e 33 137e AM Inernational.: 237a	361g 231g Grane 221g 30 911g Grocker Hatl. 977g	5312 2014 Johnson Control. 27 3618 2734 Joy Manufacturg 52 2914 Cata K. Mar Corp. 2319	6812 38 Reviou 6314 3234 2614 Reynolds Metals. 5312 64 5214 Reynolds Metals. 5514 3068 20 Rich son Merrell. 2379 3749 2879 Rockwell Inter 357	6312 41 Xerox	Commerzbank 219.6 3.5 26,56 5.0 Conti Cummi 65 0.4	8 K F. B Km 64.5 45 70	Hg. Kg. Shanghal Hotel 19.90 18.30 Hg.Kg. Telephone 88.75 28.00
4558 3012 Actna Lile & Ca., 4058 3158 2219 Airproducts	4211 2912 Cummine Engine 35 2113 1173 ;Curtiss Wright 1339	1912 1236 Kaiser Alumini'm 1918 6 34 Kaiser Industries 218 3012 1778 Kaiser Steel 2119	4014 2819 Rohm & Haas 6879 6619 5419 Royal Dutch	193) 96-6 U.S. Treas,4% 80 1943 82-8 775 INSTreas 4,875/85 172 8 9.46% 6.07% U.S. 20-day bills. 2.46%	Deutsche Bank, 299 -5.5 28,12 4.7	Volvo (Kr 50)	Jardine Matheon
321 383, Alcos	3134 1934 Dana	1812 1214 Kaneb Services 137g 13 334 Kay	1712 10 RTB 1232 2312 834 Ross Togs 101s 603s 131s Ryder System 2378		Oreadnor Bank. 234 -6 .28.12 6.0 Dyckerhoffzert. 183 -1 9.38 2.5 Gutshoffnung. 238 +4.8 18.28 5.8		New World Development 2.025 2.10 Rubber Trust 4.45 \$4.80 Sime Darby 7.70 7.00
4431 2918 Allied Chemical , 2939 2714 1831 Allied Stores	4613 923 Nei Mente	6014 4018 Kerr McGes 4838 384 2738 Kidde Walter 2912 50 3934 Kinde rey Clark 44	4378 3512 Safeway Stores. 4158 3154 6218 St. Joe Minerals. 25 3458 2538 St. Regis Paper. 294	CANADA	Hapag Lloyd 104 -2 14,06 5.8 Harpener 154.5-3.3 15,56 6.1	Jan. 18 Fra % %	Swire Pacific A 8.60 8.40 Wheelock Marden A 2.875 2.976 Wheelock Meritime A 6.56 3.60
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i iiiiii	341g \$636 Jim Walter 2754	I was not record to the many of the		- PRA. + MANUL Y LINUTE. 1 MEW SHOCK.	USINGF	orvicend. xc Ex ecrig issue. xa Ex all	L A loterim since increased.

Financial Times Monday January 22 1979

1978-79

\$0.38 (11/9)

48.37 (6/3)

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Jan. Jan. 19 19	Jan. 17	Jan. 16	High	Low.
229.76 229.18 256.76 255.58	227.29	228,56 252,98	228.76 (19/1/79) 235.75 (19/1/79)	152_99 (16/2) 170.62 (30/1)
1364.4 1660.5	1351.1	1855.4	1364.4 (1911/79)	898.2 (30/1)
272.8 282.9 287.2 285.8	260,8 297,4	251.8 254.8		. 186.0 (28/4) 194.5 (15/5)
- 1516-9.131 High Lo			Jau. Pre-	

liseuss Traded..... Rises Palls...... Unclaanged New Highs...... New Lows.....

Spain (d), 94.72 94.82 98.79 93.03 (2/1/79)(12/1/79) (e) 378.35 374.03 406.00 325.74 Sweden Sweden (e, 376.35 3(4.15 (2/5) (3/1) Switzerld(*) 305.5 301.4 323.7 251.6 (14/2) (25/9)

Rises and Falls

Jan. 19 Jan.

1278-79

16 Jan. 17

1978-Low

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(1/8) 90,43 (225)(9) 88.08 (30,10) 47,83 759.4 (17,6) 759.4 (13,7) 383.4 (13,7) 364.04 (13,7) 364.04 (13,7) 364.04 (13,7) 364.04 (13,7) 364.04 (13,7) 364.04 (13,7) 364.04 (13,7) 364.04 (13,7) 364.04 (14,1) (14,1)(14,1)(14,1)(14,1)(14,1)(14, 50: Standerds end Poors-10: and Teronto 300-1,000: the last named based en 1973). † Excluding banda. 1 400 Industriale. § 400 Industrials. 40 Utilfres. 40 Fnance and 20 Transport. 1 Sydeey At Ordinery. II Selaien SE 1/12/63. ** Copentagen 3E 1/1/73. 14 Paris Sourse 1961. \$‡ Commerzbank Dec. 1953. \$\$ Anatardam Industrial 1970. *T Hang Seng Sank 31/7/64. 18 Bance Commercials Italises 1972. e Tekyo Hew SE 4/1/68. b Straite Times 1956. c Closed. d Madrid SE 30/12/77. c Stockhelm Industrial 1/1/58. 4/1/68. b Stra osed. d Madrid Im Industriel 1/1/3 30/12/77 1 Swiss

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INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

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BY FRANCIS GHILES

CURRENT INTERNATIONAL BOND ISSUES

المكذامن لتعرل

Unease over weakening dollar

rowars.

WHILE EURODOLLAR bond bonds are priced. prices gained some useful tech. However, under present mar-nical support last week the ket conditions, an overall 9.75 international bond markets as per cent annual yield is a whole remained uncesy. The moderation in U.S. money

supply growth and a slight ess- issue for Bayer continues to be ing in Short-term. Eurodokar a major market talking point, rates created short-covering by Some big Swiss banks indicate dealers. But dollar bond prices that retail demand for the offerwere not able to sustain their, advance, and the dollar itself showed ominous signs of weak-ness in currency markets.

and the second s

BAYER BOND

The \$200m 10-year warrants

that retail demand for the offering is sizeable. The reaction else-where in markets seems quite subdured, however. This latter

in the wake of the Bundesbank monetary measures which arc expected to drain about DMSbn in domestic liquidity. The net result on the German

measure, coming in a week which saw renewed nervousness in foreign exchange markets about the effectiveness of last November's dollar package, will be to push up German domestic interest rates and, by implica-tinn, increase tha cost of borrowing in the foreign DM market

Of the DM issues priced last week, greatest demand was recorded for the Nippon Tele-

deutsche Landesbank cancelled priced at 100¹, another French Franc Eurobond is expected very shortly, possibly for a two issues but not because of disagreement with the hor-European institution.

One of the planned bonds, a Apart from three new issuea, DM 40m private placement for the avent of the week in the a Spanish motorwaya company, was delayed hecause of difficul-Swiss Franc sector was the ties related to withholding tax. announcement of the terms of The other issue, for a Brazilien the Carter bonds: the shorter horrower, was delayed as an- trancha was three times overother Praziliao entity, Electrosubscribed while the longer bras, is expected to announce bonds were twice. The TIS 9 DM offering this week. The Brazilian authorities epparently Treasury accepted subscriptions of SwFr 1.247bo for the 21-year

wanted to avoid having two of SwFr 1.247bo for the 21-year issues in the market at the notes and SwFr 768m for the same time. 4-year bonds. It appears likely After the success of the that well over half the total per cent of which with e similar Friday in less 1-1. in Japan. As with e similar Friday in less 1-1. phone and Telegraph hond. After the success of the that well over half the total offering last August, the coupon' Deutsche-Mark prices were off which was priced at par instead Peugeot-Citroen issue, which issue went to the three big will be announced when the by about a point on the week, of an indicated 99. West- was increased to FFr 175m and Swiss commercial banks.

	Amount		Ay, life	Coupen			Offer
Borrowers _		Maturity	years	%	Price	Lead manager	yield
U.S. DOLLARS							-%
†Sonatrach	50	1991	93	74 ⁰	160	Dillon Read Overseas	7,64 ⁰
Bayer Int. Finance NV	200	1989	10	71	100	Deutsche Bank	7.25
TTEIB	80	1991	9.8		•	Nikko Securities	
EIB	20	1991	9.8	* ·	•	Crédit Suisse First Bosto	<u>n +</u>
D-MARKS			-				
tAmerican Express Int.			1				
Bank Corp.	70	1987	8	5 1	100	Dresdner Bank	5.50
1Denmark	100	1985	6	5 1 53 61	991	WestLB	5.85
1Denmark	100	1989	10	61	991	WestLB	6.61
t ^{øs} New Zealand	100	1986	7	6	991	. Commerzbank	6.14
1Nippon Telephone &							
Tigrph (g'teed Japan) 100	1987	. 8	51	100	Deutsche Bank	5.50
SKansai Electric	150	1984	<u> </u>	4	100	Dresdner Bank	
**Oesterreichische		2					
Kontrollbank	40	1987	8	6	99 1	DG Bank	6.08
++ Austria	100 ·	1989	71	61 61	99]	Dresdner Bank	6.28
Eurofima	100	1989	8	61	<u>991</u>	Deutsche Bank	6.32
FRENCH FRANCS							
Peugeot-Citroen	175	1987	6.66	93	100 1	Lazard Frères et Cie	
					• -	Société Généraie	9.66
SWISS FRANCS							
TADB	100	1994	n.a.	3] 3]	99	Swiss Bank Corp.	3.58
tICI Finance NV	230	1994	n.a.	3]	99	5wiss Bank Corp.	3.58
tHeron Corp. Ltd.	35	1989	n.a.	41	100	Banque Keyser Ulimann	
	_					en Suisse	4.25
AUSTRALIAN DOLLA	RS						
Citlcorp	15	1984	5	11 '	•	Crédit Suisse First Bostor	n *
" Not yet priced. \$ 11 Registr	Final terms and with 91	u.s. Securit Registered Note: Yield	with Japa	change Con	zy of Finance	© Minlmum. § Convertit ¶ Purchase Fund. 8.	bl e. j

Sizing up the warrants

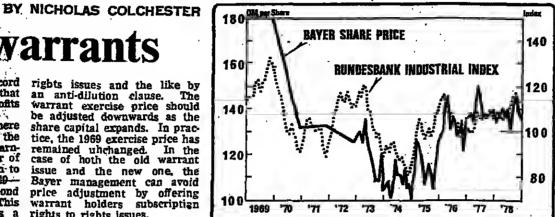
BRITISH entrepreneur vestors wanted to give him Bayer AG's after-tax profits money for the right to give have not grown at all. him more money later, then Beyond static earnings there He was talking of warrants, and warrants were the talks of the Eurobond market last week. investors would otherwise de-\$1,000 bond for the right to buy pared with DM 136 today. 13 Bayer shares at DM 136 for the next ten years.

Is it worth it? The record Slater used to argue that if in- of the last ten years shows that

that seemed a good deal to him. has been a dilution over the decade of 25 per cent in earn-ing per share. The number of shares outstanding has risen to By offering warrants Bayer 46.6m from 32.1m since 1969is paying only. 71 per cent for the year of the last Eurobond \$200m for ten years some 21 with warrants attached. This per cent less than the return new warrant issue implies a potential for a further 2.6m mand. Assuming that the shares. The Bayer share-price, ex-warrant bonds will settle at and the warrant exercise price, a price of 84 nr so, the investor have reflected these developis being asked to pay \$160 per ments-DM 200 in 1969 com-

rights issues and the like by an anti-dilution clause. The warrant exercise price should be adjusted downwards as the share capital expands. In practice, the 1969 exercise price has remained uhchanged. In the case of hoth the old warrant issue and the new one, the Bayer management can avoid price adjustment by offering warrant holders subscription

rights to rights issues. Against this unexciting background must be set the fact



that Bayer bas assigned a con-servative value to the new war-rant is worth 30 per cent of its taking the teo-year view, Bayer rant: around DM 22 to huy each exercise price — assuming that shares will have to rise hy just Bayer share at the current price this is in line with the current DM 35 over this period to jus-The warrant purchaser is for the next decade. The crude share price. The Bayer warrant tify investment in the warrant supposedly protected against rule of thumb in the warrant costs half this. Discounting at today.

U.S. BONDS BY DAVID LASCELLES **Events without pattern**

ALTHOUGH BOND ductivity. prices weakened most of last week, in reaction to unfavourable news here and abroad, market observers confess to some perplexity about where events are leading

In the past seven days, they had to make sense of the following events: Fed chairman William Miller'a warning that 1979 must be a year of austerity; news that the economy measured by GNP growth and bousing starts, is still surging ahead; a Bundes-bank estimate that \$50bn was spent last year propping up the dollar; and finally the easing of the money supply, confirmed by the letest Fed figures.

Althoung Mr. Miller's words gave bond prices a knock, they also reassured those who feared the central bank lacked the grit to go through with its fight against inflation, which is the

interest rates could be chaotic. Manufacturers Hanover takes another view: in the face of a declining money supply a stronger dollar and an improved U.S. balance of trade, it says "a further tightening on the part of the Fed would not seem to But even if the Fed itself

does not nudge np interest rates, they will probably go up anyin response tn strong way credit demands, and inflation. The recent easing in short-term rates is seen as a temporary phenomenon. More important is the continuing strength o needs which are expected at least to match last year's,

As many observers on this not much longer, and that the side of the Atlantic see it, the peak in interest rates is very Fed's posture could be deter-close." although Mr. Lerner bim- mined by what happens to the dollar. Despite President et Carters rescue package, the Salomon Brothers, comments: currency is still viewed with "The continued strong per- concern, and its fragility was formance of the economy com- underlined last week by the market's nervous reaction to

BY JOHN EVANS MEDIUM-TERM LENDING **Recessionary threat to the capital markets**

the U.S. threatens to re-awaken of global economic downturn.

be exerted on the less developed in primary commodities of countries (LDCs), propelling only 6 per cent in assumed.

of the mid-1970s for the inter-national capital markets, according to economists at Amex overall OECD growth, implies a Bank, deteriorating trade balance for A major danger arising from the LDCs, particularly if a rise showing Western growth is that in manufactured goods prices of renewed economic pressures will 8 per cent compared with e rise

developing nations would widen

FT INTERNATIONAL BOND SERVICE

THE SEVERE recession facing the credit markets in the light this year and 4 per cent in 1980 months of the yeerly import place at much bigher margins, Without major attempts at bill, signifying a return to the Amex argues. restricting import growth, the depressed levels of 1975," the 1t projects gross medium-current account deficit for the forecast says. LDC Euroborrowing this

High U.S. interest rates, from 1978's \$34bn to \$47bn this slower monetary expansion and year and \$56bn next year, Amex tightening of U.S., banks' forecasts. liquidity indicate that the forecasts. The net effect would be sub-stantial reductions in LDC hold-margins will become restricted with Brazil and Mexico alone economy's strength as shown by

some of them into acute on this basis the overall by 1980. inquidity crises growth of the developing world's "By the end of 1980 LDC demand to LDCs from OECD last year, it adds. Not all LDCs but many people saw this as These projections; made in texports to OECD nations would stocks of international reserves countries — thus substantially can be substantially can be substantially can be substantially can be substantially reserves of solving their Amer's latest review, represent fall from a current 7 per cent will be approximately \$50hn, altering the banks' risk expo-an effort to chart the course of in 1977 and 1978 te 5 per cent enough to finance only 2.7 suce — borrowing will take borrowings.

economy forecasters itb a strong monetarist bent feel the answer is

self is not so sure. Mr. Henry Kaufman, bined with powerful inflationary

year et \$16bn, rising to \$20bn in 1980, compared with 1978's figure of \$20bn. However, established credit

As the banks' portfolio mix taking more than 40 per cent the 6.1 per cent annual growth

The latest money supply figures were the hest news of the week providing the market with a last minute fillip on Friday, hut sceptics point out that the turn of the year figures are seldom reliable, and the fed is upwards.

already adjusting earlier figures bs called for." Combined, all these things heightened the market's air of expectation, though for what is unclear. Mr. Alan Lerner, economist at Bankers Trust, for instance, writes: "The specific question posed is bow long the can continue to advance without the fuel of an business and government credit expanding money supply. Some

	FI INTERN	ATIONAL BOND CEN	
	U.S. DOLLAR STRAIGHTS Issued Bid Offer day week Yield Aga Akt, 94, 88	Sandvik 4 90	Medium term Long term
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	CECA 9 33	YEN STRAIGHTS Issued Bid Offer day weak Yield Asian Dev. 8k. 5 ¹ / ₂ 88 15 96 ¹ / ₂ 97 -0 ¹ / ₂ 6.22 AFCE 8.4 90	U.S. S bonds Cedal Euroclear Last week 401.2 975.5
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	Canada 9, 35,	OTHER STRAIGHTS issued Bid Offer day week Yield Rank 0/S Hold 113 AS 12 954 96 -04 +06 12.80 Auto Cole 8. 7 93 EUA 18 942 947 -05 -14 7.65 Copenhagen 7 93 EUA 30 937 942 -07 -1 7.59 Finlend Ind. 7 83 EUA 15 942 954 -05 -05 7.51	previous day's price.
	Finland 83, 83	Finised Ind. 7 83 EUA 15 94 95 + 05 - 04 7.51 Komm, Inst. 74 93 EUA 15 974 984 0 -04 7.4 Panama 84 93 EUA 20 954 96 - 04 07 7.4 SDR France 7 93 EUA 22 954 97 - 04 -07 7.33 Algemene 8k, 64 83 FI 76 95 954 0 +07 7.43 Beggil 74 83 FI	(TOILY DIE Market maker
	MZ Dev. Fin. 89, 85 20, 533, 944 0, +05, 8,00 MZ Dev. Fin. 99, 85 20, 533, 944 0, +05, 8,90 MZ Dev. Fin. 99, 85 20, 533, 944 0, +05, 8,12		mid-price; the amount issued is im millions of currency units ex-
	Nord Toy, 8k, 94, 88	- New Zealand 64, 84 FI 75, 947, 957, +04, +15, 7.84 Norway 62, 83 FI 100, 947, 957, 0, +04, 9.01 048, 82, 95, FI	cept for Yen honds where it is in hillions. Change on week=
5196	Norway 85, 83 150 967 967 0 -04 9.93	- 198 59, 88 FFr	Denominated in dollars unless otherwise indicated. M=Mini-
	UK 87, 85	Finlend I. F. 8 38 Lux 7 250 967, 975 -072 0 411 6.44	coupon becomes effective. Spread = Margin above aix-month offered
Ŧ	- STRAIGHTS	Remark 73, 88 LuxFr 500 97, 97, 00, 2.13 90/vev Fin. 8 & LuxFr .500 100, 101, 00, 7.80 Swedish 24. 8 88 LuxFr .500 99, 99, 99, 00, 7.80 Swedish 24. 8 88 LuxFr .500 99, 99, 99, 00, 7.80 Swedish 24. 8 88 LuxFr .500 99, 99, 00, 7.80 Swedish 24. 8 88 LuxFr .50 99, 99, 00, -0, 13.13 Whithread 104, 90 C 15 847, 847, -0, -0, 13.18	rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.
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20. Animpton SL, S.W. L. 01-499 7551 Courtwood House, Silver Street, Head, Sheffield, SI 3R0. Tel: 0742 79642	First Units 132.9 139.5	Barry Heal Barry H	30 Uterroge Rose, W/2 8Pc. 01-749 VIII Sel, Mic, Fd, Std. 10 Sel, Mic, Fd, Std. 0 Person Enviro. 003 Deposit Fd, Roc. 70 Deposit Fd, Acc. 74 Equity Fd, Cas. 44 Deposit Fd, Acc. 74 Equity Fd, Cas. 44 Fd, Mic, Fd, Acc. 74 Equity Fd, Cas. 44 Fd, Int, Cas. 45 Fd, Int, Cas. 45	3-Way Jan, 18 170,5	14 Channel Ist, F., 11213 1220 132 United State 15 Channel Ist, F., 11213 1220 132 United State 15 Channel Ist, F., 11213 1220 132 United State 15 Channel Ist, F., 1213 1220 132 United State 15 Channel Ist, F., 1213 1250 11 100 100 15 Channel Ist, F., 1213 1250 11 100 100 100 15 Channel Ist, F., 1213 1250 11 100 <	Maringer, Linearcholog nr. FailDisting
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CORAL INDEX: Close 476-481	Equity Peasion 250.9 259.4 +3.8 Property Peasion 152.4 356.3 -2.5	Legal & General Prov. Fd. Mers. Ltd.	Prudential Pensions Limitado Hoborn Bars, ECIN 2MH 00.405 9222	Guaranteed see 'Ins. Base Rates' table,	Do. (Account)	and Royal, Lucenberry
	Cornhill insurance Co. Ltd.	11, Queen Victoria SL, EC4N 4TP. 01-246 9678 L&GPrp. Fd. Jan. 3 [99,7 104.3]]	Equit. Fd. Dec. 20			
INSURANCE BASE RATES	Cap. Feb. Jan 18	Life Assor. Co. of Pennsylvania 39-42, New Bond SL, W17 ORQ. 01-493 8395 LACOP Units	Reliance Mutual	Windsor Life Assur. Co. Ltd. ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	Prices do not include S permism, except where indicated a, and	are in processing otherwise indicated
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Caledonian Holdings Offer for Sale by Noble Grossart Limited

of all of the 10,000,000 issued ordinary shares of 25p each at 65p per share payable in full on application

BRIEF INFORMATION

Financial Times Monday January 22 1979

The following information is taken from the full text of the Offer for Sale and accordingly must be read in conjunction with that text: **Ownership**

Caledonian Holdings (formerly Stenhouse Industries Limited), or its predecessor company, has been a wholly owned subsidiary of Stenhouse Holdings since 1970. Activities

The Caledonian Holdings group is a diversified consumer products group with activities in home improvement, jewellery, engineering and ladies hosiery.

Turnover and pretax profit Years to 30th September 1974 1975 1**976** 1977 1978 Turnover (£000) 22,765 26,115 31,084 36,885 41,937 Pretax profit (£000) 2,024 1,565 -1,545 2,443 1,662 Issued share capital

42,500,000 in 10,000,000 ordinary shares of 25p each Pro forma shareholders' funds at 30th September 1978

Shareholders' funds £**6,9**91,000 Shareholders' funds per share 69.91 p

Offer for Sale price ...

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Value of issued share capital at the Offer for Sale price £6,500,000

Illustrated earnings per share based on (a) the above pretax profit for the year to 30th September 1978: and (b) corporation tax at 52%

Price earnings multiple based on (a) the Offer for. Sale price and (b) the above illustrated earnings per

5.54 times share. Forecast dividend per share (including the related.

tax credit at the current rate) for the year to 30th 7.09p September 1979

Gross equivalent dividend yield based on (a) the Offer for Sale price and (b) the above forecast dividend per share

SHARE CAPITAL

Authorised

£3,000,000 In 12,000,000 ordinary shares of 25p each £2,500,000

The ordinary shares now offered will rank in full for all dividends hereafter declared or paid on the ordinary share capital of Caledonian Holdiogs.

Indebtedness

At close of business on 31st December 1978 Caledonian Holdings and its subsidiaries (the Caledonian Holdings group had ourstanding unsecured bank overdraits of £604,655, secured vehicle stocking linance of £227,466, acceptance credits of £500,000, secured loans of £88,012, unsecured loans of £37,553, unsecured loan stock of £1,637,643, leasing and hire, purchase commitments of £246,033 and guarantees of £215,117. In addition, the Caledonian Holdings group owed £334,161 on current account to Stenhouse Holdings and its subsidiaries at \$151 December 1978, Save as aforesaid and apart from inter company bortowings and guarantees within the Caledonian Holdings group, neither Caledonian Holdings nor any of its subsidiaries had ourstanding at that date any loan capital, montgages of other borrowings or indebtedness in the nature of borrowing, including bank overdraits and liabilities under acceptances (other than normal trade bills), or acceptance credits, hire purchase commuments or guarantees or other material contingent liabilities.

'The principal operating companies in the home improvement division are Timberland Limited ('Timberland') and Ideal Timber Products Limited ('Ideal Timber').

Timberland, whose head office is in Edinburgh, is one of the largest retailers of home improvement and doit-yourself products in the UK. We estimate that it accounts, nevertheless, for only some 1% of this expanding market. The product range comprises kuchen and other furniture, paint and wallpaper, timber, Booring, hardware, garden equipment and building materials. A substantial part of the furniture, paint and hardware ranges is sold under Tumberland's own brand name. Timberland sells through 2 types of outlet: shops, mainly high street shops, trading as 'Timberland',

and retail warehouses trading as 'Big T Timberland'. Nearly all Timberland's shops and retail warehouses are on short term or medium term leases. This has the advantage of permuting rapid expansion within the financial resources available but it does inevitably involve tent reviews. Current practice on new leases is to establish reviews at 5 yearly intervals.

There are 63 shops with selling space tanging in size from 700 sq. ft. to 7.500 sq. ft. and these currently account for just over 50% of Timberland's turnover. 16 shops are in Scyland and the remainder are in England. Timberland's policy is to close small shops and to acquire larger units. There are 12 read warehouses ranging in size from 9,000 sq. f. to 33,000 sq. fr. These have the advantage over shops of considerably lower rental costs and also of car-patking facilities for customers. 9 of the retail warchouses are in Scolland and 3 are in England. The earlier warehouses were fitted out at a minimum of cost, but recent openings have been litted out to a much higher standard which includes display settings to allow the customer to see the full potential of the various products.

The first retail warehouses was opened at Renfiew, near Glasgow, only some 31% years ago. We have made rapid progress since then and further growth should be achieved with the opening shortly of 4 ocw warehouses; at Renfrew a larger unit, covering 42,000 sq. ft., has been leased and should start trading in the spring of this year and warehouses at Gimsby, Sunderland and Sheilleld will add a further 61,000 sq. ft.

Timberland sells on a cash basis, It also offers hire purchase facilities through a finance house. Timberland has a strong presence in Scotland. Just under 50% of sales come from the 16 shops and 9 warchouses in Scotland. This coverage enables cost effective advertising both in the press and on television. We feel that Timberland is well placed to increase its share of the highly competitive but expanding home improvement market. There is particular opportunity for expansion to England where our presence is less concentrated. Timberland's furniture sales account for approximately 40% of its total sales, and are therefore a very important part of its business; 80% of Timberland's furniture is produced at the group's own lactory trading as Ideal Timber Products Limited. Ideal Timber's 177,000 sq. ft. lactory and warehouse at Dumbarton are modern, with plant and machinery designed to produce a range of melaning-faced or painted chipboard furniture, primarily kirchen units. Production is currently running at some 6,000 units per week, 5,000 of which are kitchen units, and the remainder largely chests of drawers, bedside cabinets, desks and lounge units. All products are packed in easily transportable curtons to kit form ready for customer assembly, a method which is particularly suited to the home improvement market. Virtually all of Ideal Timber's non kitchen unit production is sold through Timberland. In the last Virtually all of Jocal Timber's non-kitchen unit production is sold intrologin Timberiand. In the task financial year 53% of Ideal Timber's sales was to Timberland and the remaining 47% was sold outside the Caledonian Holdings group, either to distributors or directly to builders' merchants. To service these outside customers, Ideal Timber has a small national sales force of 18 tepresentatives. The kitchen units made by Ideal Timber sell under the brand names of 'Pacemaker', 'Passport' and 'Compass'. In April 1978 a new melamine-faced roctric kitchen unit range called 'Calypso' was introduced to the Timberland outlets, and sales to date have substantially exceeded our expectations. This tange was designed to enable customers to make their own choice of door and drawer finish which can then be unached to a standard unit. Ideal Timber has some 2% of the total UK market for kitchen units and approximately 5% of the self assembly market. Ideal Timber works closely with Timberland and should benefit from the planned expansion of that company. We are nevertheless conscious of the need to keep abreast of current innovations and designs within the furniture market generally. The home improvement division also has a 9,300 sq. ft. silk screen printing factory in South London,

DIRECTORS

William Roy Burns (chairman and managing director), 2 Stenhouse Road, Gorgie Road, Edinburgh EH11 3LS.

James Robson Conway, P.O. Box 15, Birch Road, Broadmeadow Industrial Estate, Dumbarton G82 2RG.

Herbert Verdun Maxfield, Bath Vale Works, Congleton, Cheshire CW12 2HD. Brian Abraham Neiman, 190 Tachbrook Road, Leamington Spa, Warwickshire, CV31 3EL.

Nnrman Somerville Macfarlane (non-executive), Clansman House, Sutcliffe Road, Glasgow G13 1AH.

Richard Geoffrey Newbery (non-executive), 4 Clarkewood Close, Wiswell, Whalley, Blackburn, Lancashire BB6 9BX.

Secretary and registered office

Norman Alexander Macleod CA, 2 Stenhouse Road, Gorgie Road, Edinburgh EH11 3LS.

Auditors and reporting accountants

Thomson McLintock & Co. Chartered Accountants, 216 West George Street, Glasgow G2 2PF.

Solicitors

Boyds, 36 Renfield Street, Glasgow G2 1ND.

Brokers

Issued

W. Greenwell & Co. Bow Bells House, Bread Street, London EC4M 9EL. Parsons & Co. 100 West Nile Street, Glasgow G1 2QU.

Property valuers

Richard Ellis, Trafalgar House, 75 Hope Street, Glasgow G2 6AJ.

Bankers

Bank of Scotland, 165 West George Street, Glasgow G2 2JR. Noble Grossart Limited, 48 Queen Street, Edinburgh EH2 3NR.

Registrars and receiving agents to the Offer for Sale Bank of Scotland, 26A York Place, Edinburgh EH1 3EY.

Loan stock registrars

Thomson McLintock & Co. 216 West George Street, Glasgow G2 2PF.

	THE FOLLOWING IS A LEVEL TO A	TAODIC CHOSSARC DOTT TAT	A ' TOA DITUS' OIC CITUTIN	n and managing muchor.	
	of Caledonian Holdings:				
<i>.</i>	To the directors Noble Grossart Limited			Edinburgh	
4	Noble Grossart Limited			 19th January 1979 	۰.
	Dear Sier		•		

'—

65p

11.73p

10.91%

Dear Sirs, I have pleasure in providing you with the following information in connection with your Offer for Sale of the whole of the issued ordinary share capital of Caledonian Holdings Limited ('Caledonian Holdings').

BACKGROUND

Caledonian Holdings, which is at present a woolly owned subsidiary of Stenhouse Holdings Limited (Stenhouse Holdings'), is the holding company for a diversified consumer products group whose business is in home improvement, is wellery, engineering and ladies hostery.

Stenhouse Holdings has recognised for some time that the continuing development and expansion of Caledonian Holdings could more easily be achieved if it were to become an independent listed company rather than remain as part of a financial group. This step was also seen as being helpful to Stenhouse Holdings which could then particularly concentrate its resources on insurance broking and related activities. It was also believed that this separation would permit a more accurate assessment of the respective performances and values of the insurance broking and consumer product loterests of the group. Since early 1976 it has therefore been the stated intention of Stenhouse Holdings that at an appropriate time Caledonian Holdings would be separated from the Stenhouse Holdings group and would seek a Stock Exchange listing as an independent public company.

Accordingly, Stenbouse Holdings has today completed arrangements for an Offer for Sale by Noble Grossign Limited of all of the 10,000,000 issued ordinary shares of 25p each in Caledonian Holdings at a price of 65p per share. In order to assist the shareholders of Stenhouse Holdings to retain an interest in Caledonian Holdings, preferential consideration will be given to applications from such shareholders in respect of a maximum of 1,000,000 ordinary shares.

HISTORY OF CALEDONIAN HOLDINGS

Most of the present trading subsidiaries of Caledonian Holdings were formerly part of a listed company. John Wallace & Sons Limited (Wallace') in which, between 1962 and 1969, Stenhouse Holdings acquired a

Joint Wallace of sons Limited ("Walace") in which, between 1962 and 1969, of interest standings adjunct a 25.2% interest. In 1970 Stenhouse Holdings made a share offer and acquired the retusining 74.8% of Wallace, which was then renamed Stenhouse Industries Limited (Stenhouse Industries). In 1972 the largest subsidiary of Stenhouse Industries, British Electrical Repairs Limited (BERL') was sold for formillion. At that time BERL accounted for approximately 45% of both the profits and the capital sold for formillion. solation for an internation of the birth attantian for approximately the set of the birth transferring all of employed within the Stenhouse Industries group. The sale of BERL was effected by firstly transferring all of the other subsidiaries of Stenhouse Industries to a newly formed subsidiary of Stenhouse Holdings, Stenhouse Continuation Limited, and by their selling Stenhouse Industries as a company which had only one subsidiary, BERL Shortly thereafter Stenhouse Continuation Limited was renamed Stenhouse industries of the stenhouse of the selling Stenhouse Industries and the stenhouse Industries and the stenhouse industries and the stenhouse industries at a stenhouse of the stenhouse industries of the stenhouse of the stenhouse industries at a stenhouse industries at a stenhouse industries and stenhouse of the stenhouse industries at a stenhouse industries at a stenhouse industries and the stenhouse industries at a stenhouse industries at a stenhouse industries at a stenhouse industries and the stenhouse industries at a stenhouse Limited; in November 1978 it was renamed Caledonian Holdings Limited. No part of the proceeds of the sale of BERL was retained within the Caledonian Holdings group.

OPERATING STRUCTURE AND CONTROL

Caledonian Holdings" activities are divided into 4 operating divisions. These divisions and their contribution to the Caledonian Holdings group profit before central costs, interest and tax for the year to 30th September 1978 are set our below

Sour Schreinber 1419 areaet out below	1978 Profit	. Contribution	
	1.000	ኇ	
House monorman	767	26.7	
Tomallaris It	880	30.7	
Ringingerman -	923	132.2	
I office brokene	300	.10.4	
	2.870	100.0	
	-(142)		
- CININI CIRCLE			
	2,728		
Interesc	(285)		
Profit before rar	2.443		
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The management of Caledonian Holdings operates on the basis of light financial control throughout the group. Within that, control the directors of the individual subsidiaries are encouraged to develop their helpotive businesses on an independent basis so as to achieve the financial objectives set by the board of Caledonian Holdings. Financial control - Each subsidiary of Caledonian Holdings prepares annual budgets for profits, capital financial control there have an environed by central management and are

Figured control—Each subsidiary of Caledonian Holdings prepares annual budgets for profits, capital expenditure and cash flow. Before approval, these budgets are reviewed by central management and are related to group financial targets. Each subsidiary produces detailed monthly accounts and is required to renir to the holding company a monthly cash payment equal to each month's pretax profit adjusted to budget depreciation and in exclude agreed capital expenditure for that month. Management control — The chairman of each subsidiary is a director of Caledonian Holdings. In some cases the managing director of a subsidiary is also a director of Caledonian Holdings. All material decisions are discussed between the chairman and managing director of the relevant subsidiary either informally or at regular meetings. Responsibility for the day-to-day management of the activities of each subsidiary is delegined to the managing director of general manager of that subsidiary. The particular responsibilities of the Caledonian Holdings board meets at intervals of shout 2 months to review trading results, capital expenditure directors of Caledonian Holdings are referred to under 'Directors' below.-The Caledonian Holdings board meets at intervals of shout 2 months to review trading results, capital expenditure and financial arrangements, and personnel matters.

Expenditure and financial attangements, and personnel matters. This form of management enables the Caledonian Holdings board to maintain a close control mer the financial progress and development of all subsidiary companies within the group without the need for a large central management staff. I am based in Edinburgh and am in active contact with all of the companies within the group. The other executive directors of Caledonian Holdings are based at the -

Companies for which they have particular responsibility. I now comment on the activities of each of the divisions.

HOME IMPROVEMENT DIVISION

Years in 30th September		1975 1976	1977	<i>1978</i>
Turnover (£900)		379 11,314	12,715	16,2 3 9
Profit before central costs, interest and tax (2000)	. 288	402 627	708	767

trading as Expedite Publicity Limited. This small but efficient company makes sales tickets and posters. Although 1978 showed only a modest increase to the profits of this division, trading in the current year has started well and sales for the first 2 months are significantly above those for the same period last year. We are confident that our continuing policy of expansion will show benefits in profit terms in the future.

JEWELLERY DIVISION

•	Years to 30th September		1974	. 1975	1976	1977	1978	•
	Turnover (£000)	·	5,226	6,583	6,317	8,475	9,044	
	 Profit before central costs, interest and tax (£000) 		845	941	600	961	880	

The jewellery division is one of the leading manufacturers in the UK of precious jewellery in the popular price range. Its main products are weaking rings, engagement rangs, signet rangs, earnings, pendants, bracelets, lockets, cull links, charms and simulated and cultured pearls. Designs are in the main traditional, but new ranges are produced at frequent intervals to take account of fashion changes.

Production is at 4 locations: Hairon Garden in London, central Birmingham, King's Norton near Birmingham and Learnington Spa. The total area of these factories is approximately 55,000 sq. ft. The King's Nonon and Learnington Spa factories, which are treehold, are purpose built jewellery factories and have space for expansion. The existing central Birmingham location is an old building in the established erv area of the city and we have recently agreed to lease, as an alternative, a new building which is directly opposite. The jewellers undustry is still craft orientated and is thus not plant intensive. We believe that we are as well equipped as any of our competitors. Sales to retail iewellers account for some 90% of total sales and the remaining 10% is to leading mail

rder houses. We have over 2,750 active retail accounts, serviced by a national and international sales force of

33 representatives. Retail customers include most of the major retail tewellery groups. The jewellery division comprises 6 companies, 4 of which are involved in both manufacturing and selling, and 2 are deroted solely to export marketing. Expon soles account for approximately 13% of total sales.

Jewellery manufacture requires the use of significant quantums of precious metals and stones. At 30th September 1978 the value of the jewellery division's stocks was 24.2 million. Inevirably, the financial formance of the division is affected by the movement in the prices of the commodities which it uses and, while the broad trend of prices in recent years has been upwards, there have been sharp short term fluctuations, particularly to the price of gold. This has resulted in customer demand switching to products with a lower gold content and this has led to a consequent squeeze on gross profit margins. We remain very conscious of the need to maintain a balance between the range of choice we must offer to our customers and the financial implications of large stockholdings.

The jewellery division had a dufficult year in 1978 with profiles down by about 8% compared with the previous year. This reflected in part a weakness in demand from nucl order houses, although there was an nt in demand towards the end of the year. We expect profits of the jewellery division for the

current manchal year to be better than those of has year. With an efficient manufacturing operation and close trading links with most of the major retail jewellery groups we are confident of the longer term future for the jewellery division. We have to recognise, however, that the long rerm growth of the division is largely dependent on the growth in overall demand for jewellery products within the UK.

ENGINEERING DIVISION

Years to 30th September Turnover (1000)	.:	1974 6,295	/175 n.434	<i>1976</i> 8,542	<i>1977</i> 10,952	<i>1978</i> 12,500
Profit before central costs, interest and tax (2000)		652	616	679	880	923

The engineering division comprises 7 reading companies. The largest profit contributor within the division is Polarcold Limited ('Polarcold') which for the year to 30th September 1978 earned a profit of (418,000 before central costs, interest and tax. Polarcold produces and fabricates metal pressings for the motor and domestic appliance industries; it is based at Congleton in Cheshire, where is has a 180,750 sq. ft. factory complex which is mainly purpose built. Excluding motor vehicle manufacturers, this company has one of the largest pressing plants in the UK with a total of over 100 presses of wide ranging size and capacity. Polarcold's principal customer is Ford Motor Company Limited whose car, truck and tractor divisions Polarcold v panetpal customer is ford vision Company finance diverse at their and factor information purchase tuel tanks, but panels; pulley assemblies and other smaller components. These 3 divisions of Ford have been customers for vasiung machines and gas fires. We believe that the extensive production facilities of Polarcold will enable it to maintain an efficient service to customers. This should create a strong base for the future but we recognise that the progress of Polarcold will be largely dependent on the requirements of major customers.

There is a small subsidiary which is also based at Congleton, Tropical Packers (Cheshire) Limited, which manufactures wooden packing cases.

The engineering division has 2 factories in Glasgow. One of these specialises in the fabrication of stainless steel sanitary ware. The other supplies and instals electrically heared storage tanks for bitumen primarily for use in the quarry industry, and also undertakes general electrical comracting work. These activities are undertaken by 3 separate companies, Associated Metal Works Glasgow Limited, The Clarmac Engineering Co, Limited and Edmiston Brown & Co, Limited, which for the year to 30th September 1978 earned a total profit before central costs, interest and tax of £130,000. These 3 companies produce a high

return on capital employed but have limited growth prospects. Praills Hereford Limited ('Praills') is a distributor of Seddon Atkinson beavy commercial vehicles for Hereford and South Wales, with depots at Hereford and Swanses. Having been a Perkins Engine distributor for several years, Praills obtained in 1976 the franchise to operate a Perkins Power Centre covering the West Midlands and South Wales. Praills' profit before central costs, interest and tax for the year to 30th September 1973 was £250,000. The profit performance of this company will inevitably reflect the fluctuations in demand in the road baulage and vehicle distribution sectors. It has nevertheless achieved on average a high

return on capital employed over the last few years and we believe that it can continue to do so in the future, A. Baird & Sons Liroited is a distributor for Massey-Ferguson agricultural machinery and for Peugeot cars, and a retail dealer for Austin and Morris cars, operating from premises in Annan and Dumfries in South West Scotland. This company earned a profit before central costs, interest and tax of 191,000 for the year to 30th September 1978.

The engineering division achieved record profits to 1978. The first 2 months of the current financial year have ineviably been affected at Polarcald by the secent Ford state, but we are hopeful that the division as a whole will make good any loss turnover before the end of the year.

LADIES HOSIERY DIVISION

Years to 30th September	1474	<i>1975</i>	<i>1976</i>	<i>1917</i>	<i>1978</i>
Turnover (2000)	-1,150	4.219	4.851	4,743	4,154
Profit/(loss) before central cosis,	179	(10)	· 54	•83	* 300
interest and tax (2000)	*after crediting tempor	ary employn	nent subsidy	as indicate	d below,

The hosiery division roanufactures ladies tights, socks and stockings in both fine and heavy denier yarns. The division is based near Hinckley in Leicestershire, where it has 2 factories, covering a roral of 92,000 sq. ft. These factories are managed through 2 companies, Barber & Nicholls Limited and Nicholls & Wileman Limited. The factories, both of which are leasehold, operate approximately 445 knitriog machines together with appropriate making-up machines. Production, which varies depending on the type of garment being produced, is currently running at about 40,000 dozen hose per week, of which some 3.000 dozen is in heavy heave marking the depine reduction is hore per week, of which some 5.000 dozen is in heavy

denier yarn. Abou 75% of fine denier production is ladies ughts and the balance is socks and stocklogs. The division is organised primarily to supply, under contract, major retail chains and department stores who sell under their own brand names. Approximately 70% of output is to this type of customer and the balance, most of which is sold under our brand names of 'Mary Poppins' and 'Elle', is sold to wholesalers and smaller retailers.

In 1975 this division made a loss and 2 years ago we undertook a major exercise to rationalise the activities of the division and to bring it back into profirability. The scale of production was cut and the range of products simplified; the number of customers was reduced and we ceased direct selling to small outlets; overheads were immined and the capital employed in the division was reduced materially. This exercise was a very costly one, but the impact of these costs was substantially reduced by the receipt of temporary employment subsidy, which amounted to £395,000 in the year to 30th September 1977 and £100,000 in the following year. Although this was a disruptive exercise we believe it has been a successful one. We now have a smaller operation, which we consider to be substantially more efficient and viable than 2 years ago. As shown above, the division achieved a profit before central costs, interest and tax of £300,000 for the year in 30th September 1978 compared with £54,000 for 1976 and £83,000 for 1977. Current trading is satisfactory

and we believe that the division is soundly based to achieve good profils in the future. As part of the rationalisation of this division, in September 1977 we closed our yarn texturising factory at Durham, which traded as John Wallace Textiles Limited and whose performance had been unsatisfactory for several years. The summary figures set our above include turnover of John Wallace Textiles Limited of £361,000 and £565,000 for 1970 and 1977 and losses for these 2 years of £34,000 and £67,000 respectively, after crediting temporary employment subsidy of £59,000 in 1977.

DIRECTORS

I have already explained that the Caledonian Holdings board provides the chairman and in some cases also the managing director of the subsidiary companies and it is through these positions that the Caledonian Holdings board controls the activities of the group. I set out below the directors of Caledonian Holdings and their particular responsibilities within the

Roy Burns LUBIA. I am aged 44 and am chairman and managing director of the group. I am also chairman of all subsidiary companies in the group, other than 3 companies in the engineering division. I have been a director of Caledonian Holdings or its predecessor company for 13 years and I have been with

beeo a director of Caledonian Holdings or its predecessor company for 13 years and I have been with companies within the group for a total of 15 years. Robson Conway CV is aged 40. His main responsibility is as managing director of Ideal Timber, an appointment which he has held since August 1974. He is also chairman of 2 companies in the engineering division. He has been a director of Caledonian Holdings or its predecessor company for 8 years and has been with companies within the group for a total of 14 years. Herben Maxfield is aged 62. He is managing director of Polarcold and is also chairman of one of the other companies in the engineering division. He has been a director of Caledonian Holdings or its predecessor company for 7 years and with Polarcold for a total of 31 years. Brian Neiman is aged 58. He is managing director of all the companies within the iewellery division. He has over 40 years experience in the jewellery trade and has been with companies which are now within the group for the past 26 years. If is currently chairman of the Brirish Jewellers Associatioo. He has been a

group for the past 26 years. He is currently chairman of the Brirish Jewellers Associatioo. He has been a director of Caledonian Holdings or its predecessor company Io 7 years.

Norman Maclatane is aged 5.2. He was appointed a director in September 1978 and is non-executive. He executive chairman of Maclarlane Group (Clansman) Limited, a listed Scottish group, whose main

activities are in packaging, particularly for the whisky and computer industries. Geoffrey Newbery MA (1 con.) is aged 48. He was also appointed a director in September 1978 and is non-executive. He is a director of Baird Textiles Holdings Limited, the Cheshire based textile group. He has been a non-executive director of each of the companies in the ladies hosiery division of Caledonian Holdings for the past 6 years.

I have a service agreement with Caledonian Holdiogs and Herbert Mastileld has a service agreement with Polarcold. Details of these agreements are set out under 'General Information' below. None of the other directors of Caledonian Holdings has a service agreement with any group company. Each of the executive directors of Caledonian Holdings is a member of the Caledonian Holdings pension scheme.

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CALEDONIAN HOLDINGS LIMITED OFFER FOR SALE BY NOBLE GROSSART LIMITED

EMPLOYEES

The Caledonian Holdings group has approximately 2,800 employees; 1,200 are in home improvement, 500 in jewellery, 700 in engineering and 400 in ladies hosiery. We have good labour relations in all divisions and a virtually strike free record.

PROFIT RECORD AND CASH FLOW

During the 5 years to 30th September 1978 group pretax profit has increased from £1,662,000 to £2,443,000. In this period we have generated a substantial positive cash flow much of which has been paid as dividends to Stenhouse Holdings and also as payments in lieu of tax to Stenhouse Holdings and other group companies, as shown below:

Payments in years to 30th September	1974	1975	1976	1977	1 9 78
	1000	1000	£000	£000	1000
Dividends paid to Stenhouse Holdings	600	500	350	350	350
Inter-group payments in lieu of tax	<u>(9)</u>	957	203	685	669
	591	1,457	553	1,035	1,019

The inter-group payment in lieu of 1ax made in the year to 30th September 1978 includes a payment of £317,000 made io respect of the year to that date. Since 30th September 1978 a dividend of £400,000 has been paid to Stenhouse Holdings in respect of the year to that date and a further dividend of £1,815,000 has also been paid. On 15th January 1979 Stenhouse Holdings subscribed £1,815,000 of additional capital to Caledonian Holdings.

Caledonian Holdings. We believe that our cash flow would have been different and more advantageous to Caledonian Holdings if it had been operating independently during his 5 year period. Dividends in the earlier years would most probably have been lower and the payments for tax would have been partially deferred by alternative utilisation of tax allowances which would not have required to recognise the tax position of the Stenhouse Holdings group. More cash would have been available for reinvestment by Caledonian Holdings. As an independent company we expect to benefit from being able to retain a higher proportion of our cash flow and concentrative target and the target target of the target.

consequently to linance a higher level of reinvestment. I have already referred to the group's record of generating positive cash flow. The directors of Caledonian Holdings consider that, after taking into account available bank and other borrowing facilities, the Caledonian Holdings group has sufficient working capital for its present requirements.

FUTURE PROSPECTS

We have had a good start 10 the current financial year. There has been particularly good progress in the activities of the home improvement division. While the directors of Caledonian Holdings consider that it is 100 early in the financial year to make a formal forecast of profits, we are nevertheless confident that, in the absence of unforescen circumstances, we shall be able to report sansfactory results for the year as a whole.

PRO FORMA BALANCE SHEET

In the accountants' report shown below there is set out a pro-forma balance sheet of the Caledonian Holdings group at 30th September 1978 reflecting changes in accounting policy and certain transactions which have occurred since that date in anticipation of Caledonian Holdings becoming an independent company. The effect of these changes and transactions, which are explained in detail in note 16 to the accountants' report, can be summarised as follows:

Caledonian Holdings group shareholders' funds as shown in the audited balance sheer at 30th September 1978

heer at 30th September 1978 The acquisition by Caledonian Holdings for (400 of the whole issued share capital of Stenhouse Properties (London) Limited ('Stenhouse Properties'). This transaction brought back into the Caledonian Holdings group certain properties which had been transferred to Stenhouse Properties in 1974 by the Caledonian

Holdings group The credit to capital reserve of the surplus of 34.28,000 over book value arising on, the revaluation at 31st October 1978 by Richard Ellis, Chartered Surveyors, of the heritable, freehold and principal leasehold properties now owned by the

Caledonian Holdings group Caledonian Holdings group The transfer to revenue reserves of £1.500,000 of the -£3,518,000 provision for deferred tax at 30th September 1978. This transfer is the amount which the directors, following a review of the provision for deferred tax in the light of Statement of Standard Accounting Practice Number 15, consider is not required in the foreseeable future

The subscription of new capital and the payment of the further dividend referred. to above

Caledonian Holdings group shareholders' funds as shown in the pro forma balance shea at 30th September 1978

Based on the pro forma balance sheet, shareholders' funds at 30th September 1978 were 69.91p per share. C.'

DIVIDENDS

In the absence of unforeseen circumstances, the directors of Caledonian Holdings intend to recommend
dividends totalling 4.75p per share (equivalent to 7.09p per share including the related tax credit at the
current rate) in respect of the year to 30th September 1979. It is expected that these dividends would be paid
as an interim of 2.25p per share in September 1979 following the announcement of the interim results and a
final of 2.50p per share in April 1980 following the annual general meeting.

Under current cantrols, which are due to expire on 31st July 1979, Caledonian Holdings would not be subject to any dividend restraint in respect of the 2 years ending 30th September 1980. The directors of Caledonian Holdings intend to recommend dividends for the year to 30th September 1980 which reflect the

Caledonian Holdings intend to recommend dividends for the year to 30th September 1980 which reflect the progress made by the Caledooian Holdings group during that year. By way of illustration, there is set out below the possible appropriation of profits for the year to 30th September 1979 on the assumptions that the forecast dividends are paid and that group profit before tax for that year is the same as was achieved for the year ended 30th September 1978. The rate of tax charge on profits will, inter alia, depend on the directors' view of the level of deferred tax provision which is required. It is not possible to predict with accuracy what the effective tax rate will be for the year to 30th September 2979 and the appropriation of profits is therefore, shown on the assumption that this rate will be a motional 520th. 52% 2,443 2,443 1,270 1,173 475

Profit before per for the year to 30th September	1978
Corporation tax at a notional rate of 52%	

Forecast dividends of 4.75p per share

- Profit retained
- Earnings pershare

On the above assumptions, the forecast dividends would be covered 2.47 times. The forecast dividends, DC CD e current ra

Balance sheets 1973 to 1977

			_
	704	1973 1990	
Find mets	5	2,841	
Jeres anes Investment in subsiding companies	.6		
Loans to fallewantiditary company	. 7	-	
Current assets	•••	r	
Stocks and work is programs	8	4.593	
Denors	. •	4,593	•
Dividends from ministifiants		1	
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		8,103	
and the second second second second second second second second second second second second second second second		1 01103	• •
Carrent Habilities Crosses		4.036	
la	y ^	531	
		1 .354 .	
Shont terni (doni Bank overdraft (dartiy settared)		334	
Proposed dividend	•	600	-
Troposed devidend			
		5481	· · ·
Net current meters		2,682	
Owing (to) by Steahouse Holdings		(4.94)	
Owing (to) by fellow subsidiaties		`112ÿ	
		5.087	
Louis work seriother louis	10-	(1,972)	- '
Deferred (at	11	(325)	
Government grants		12421	
Commenter Frence		1.548	
			_
Share capital and reserves	12	850	
State capital	in the second second second second second second second second second second second second second second second	1,150	
Shire premate.	13.	548	
Reserves	, כב		
		2.546	

Balance sheets at 30th September 1978 and pro forma balance sheet at that date

,Balance sheets at 30th Septembe	# 1978 and tro lorms	DECENTION CONCEPTED	r that date 👘	
, Denniet Billett at armital Preniet	- 1010 Pro	C. Third Williams		Pro fama
	·. ·.	Holdman	Greep	Group
	note	1000	_000	1707
Fized insets	- 5	19	2,460	4,322
Investment is bability companies.	6	2,567		
Leans to fellow subsidiary company	7		1,236	
Current mits				
Subcles and work in progress	8	<u> </u>	10,941	10,941
Detion:		66	5,543	5,543
Dividende trom sublidiarits		1 957 17	11 - 11	
Bank and cath		2971	45 []	45
There and the state of the stat				
a material	. •	3,984	16,529	16,529
Curront labilities	. .	1-1	6.925	6,925
Creditoria Tata	-	- 36 46	1 (39 11	139
Shart term Tokus (£62,000 secured)		1 2.1	600	600
Bank overstraft (196,000 secured)	• • • •	R Z 1		1,043
Dent Orentan (250,000 Strates)	•	400 /1	1,643	400
Proposed dividend				
		742	. 9,707	9.707
Net curteer, poets		3,342	6.82	6.572
Owner holder Mendouse Holdings		397 .	80 1	1330)
Owing Ital' by tellow subscharate -			'(21Z)	-
		6,025	10.386	10.814
Lots sock and other lotos	10	(1,638)	- (1.065)	(1,665)
Deterred tex	11 .	(67)	(3.518)	(2,018)
Government grants	•		(140)	1140)
Containing Branch	•			
		4.340	5,063	6,991
Share Empiral and releaves	• ••			
Since capital	· 12	850	850	2,500
Share pressren		1,150	1,150	1315
Protector	- 12	3 247	2063	3 156

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Nil

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occontent grafits received "La renation on pre prote of subtaining

Total funds generated."

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- Payments for the huses Dividents paid
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ant in borritrings and set liquid reads Short tetra loans

TOODY OPERATOR THE	
Group balances	
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The shore in anteinetis slock not reflect the transfer of propercies to a tellow suite r tubuldury by California: Holdmin on 4th Jápatry 1979 (set note 7)

Trading profit.

The following have been charged icredited) in any ing at the trading profits about a point

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100	1000	1000	1000		
H1	2,953	1,656	1,827	1,917	
-					
-		1.345	1.310	1,271	-
43	6,990	7,403	8,291	9,579	1
	3,317	3,561	4.135	5,175	11
133	3,514	7,701			HŁ.
47	. 16	22	49	54	Ħ.
03	10,223	10,966	12,475	. 15,508	1
					÷[
126	4.348	- 4,991	5_15	6,363	11
31	1,310	586	647	· 344	и .
	16	100	340	505	11
24	1,912	2,425	1,498	1,149	11
00	500	350	350.	350	11
8 1 -	8.126	7,352	8,110	8,711	
82	1097	3,654	4, 105	6.397	
4)	143	(626)	- 31	ርጉትን	
Ξή.	, an	241	(15)	(17)	
67	5.182	6.280	7,520	834	-
72)	(1.906)	(1,565)	(1.857)	11,759	•
5)	(194)	(964)	(1,\$16)	(2,625)	
Ű,	(260)	(2(7)	(196)	(147)	
48	2,602	3,214	3,675	4,278	-
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12 Share capital. The anhorized holes and fully paid there capital at 3018 September 1950 ward \$50,000 in orthogradiones of 51 each. On 15th January 1979 the authorized share capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued and fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased to 15,000,000 and the issued as fully paid there capital was increased as fully paid there capital was increa

· · · · · · · · · · · · · · · · · · ·		1875	1976' _ 1977
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inting of sea		3//2	1,214 1,675
off for year and stock redemptions		30	- 300 - 300
repreciation of linear assets (mate 1)	-6	4.	44 75
revaluation of properties silver the		6	
	807	- 1214	1,675 2,278
ofer of Caledonian Holdings	232	595	. 942. – 1,607
ement reserve of subsidiary company rs (1978: Caledonian Hokings (200,000)	and the second second	152 ATT	1/9 2.2 - 54
e fisie damant manifishing		101	1.675 2.278
		- 	1.017

As a consequence of a further dividend paid to Stationale Holdings on 18th June 21,815,000 (reasons forch). 7 1979. the 2

14 Fature capital expenditure Control expenditure authorised at 30th September 1978 taken ted to £410,000 of which (94,000 had been comin

Capacel expenditure authorised at 50th September 1976 alternated to £410,000 of which (94,000 had been continued.).
Generantees and contingent Babbilities
Caledonan Holdings presentees the overdiafie and certain forms of its subbilities each in a table in our complexes, the subbilities of a subbility output in the statistic operators, up to a finit of £250,000, the fishibits on a complex the overdiafie and certain forms of its subbilities each of the subbility output is have been overdiafied and the overdiafies and the statistic operators, up to a finit of £250,000, the fishibits on a complex theorem of a subbility of the day performance of a with day's oblightion to the subbility of the overdiafies and the subbility of the day performance of a with day's oblightion to the second beam of the day performance of a with day's oblightion.
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Changes in accounting policy and certain tensore bios wenterizes and to have form to £46,000.
Changes in accounting policy and certain tensore bios wenterizes and tonsections 1978 anneared to a \$46,000.
Changes in accounting policy and certain tensore bios wenterizes and tonsections 1978.
Shore 30th September 1978, an test on it in deals biols widehers with a court of the effect of the thore provides of the coloring to the state of the coloring tensor with sectors of the effect of the state of the coloring of \$400 pairs in taxis in test. This principal way of Statebook Properties from the coloring for the coloring tensor of the coloring tensor of the coloring tensor of the coloring tensor of \$400 pairs in taxis. This principal way of Statebook Properties (Nontractions) and a work way of \$400 pairs of the coloring tensor of \$400 pairs in taxis. This principal way of \$400 pairs of the coloring tensor of \$400 pairs in taxis

bestcheid properties of the Caledonian Holdings group which properties had a book whon of £1,234,000 at 30th Separative 1978. The principal haddings of Senthouse Properties at the date of its exploited by the Caledonian Holdings were along of £1,434,000 them the Caledonian Holdings properties of the transaction has been to increase the finite and of the Caledonian Holdings group by £1,434,000, to reduce least to a fellow abborder company by £1,234,000 and to any the empotent of the Caledonian Holdings group by £1,434,000, to reduce least to a fellow abborder company by £1,234,000 and to any the empotent of the Caledonian Holdings group by £1,434,000, to reduce least to a fellow abborder company by £1,234,000 and to any the semiantic date by Caledonian Holdings group.
 (b) The heritable, forbold and proximal leasthold responts toward by the Caledonian Holdings group.
 (c) The heritable, forbold and proximal leasthold responts toward by the Caledonian Holdings group.
 (d) The heritable, forbold and proximal leasthold responts 1978. This resumanting for the two sentimes of E22,000 over the aggregate book values of these properties, which amount was credined to applied inserve on 15th Jammary 1979. No specific provides has been much for exaction which is referred to in (e) beings. As an earth of the incompanies to the proximal provide to 1978. The strategies are applied to beelenin to the transfer forth date of the Caledonian Holdings group have incommed by 1428,0000.
 (e) The lability of the Caledonian Holdings group for descriptive transmission of the based caledonian to 10 properties forth to the strate of Standard Accedonian Holdings group for descriptive transmission of the based caledonian Holdings group have incompany 1979. No subschedule of the caledonian Holdings group in the descriptive transmission of the laboration of the forestore in the forestore in the forestore incomment to the strate of the strate of Standard Accedonian Holdings group in

mber 1978

C-Bodonian Holdings group thembolders' fonds as thous in the endined balance these at 30th September J Taral increase in shareholders' fands Caledonian Holdings group theseholders' finds as shown in the part from bylance these as 30th September er1978

Caledonian Hold ings group shareholders' finads as above in the pro form, balance there at 30th September 1978 include \$465,000 m

2,453

Dividences declared during the period covered by this teport are shown in the above surement of grimp transver and profits. The of £400,000 in tespect of the year to 20th September 1978 was paid to Stenhoute Robings on 18th January 1979. On the same data of Holdings paid to Stenhoute Holdings the further divident of £1,815,000 which is referred to instate 16(e) above. Yourclashfully 1.10 .

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		KUPE	KLIE		

The Osicionian Holdings group owns 7 heritable and 6 fritchold properties, and has a leachold interest in a further # properties. Richard Ellis, Charared Surveyors, Giagore, have valued the heritable, friethold mill practical testinated properties in 2.2.1156,000 on the balls of owns market value at 31s October 1978. These properties, particulais of which are so cat being, had a book value of 2.000,000 in 30th Schemblet, 1978. The remaining properties of the Caledonian Holdings properonynying warkhorder, offices and shops, all of winds are so that have a supersonal of the optical state of 2.1000,000 in 30th Schemblet, 1978. The remaining properties of the Caledonian Holdings properonynying warkhorder, offices and shops, all of winds are so the optical state, which is here explain of the properties of the optical state, which is herein the optical state of the optical state, which is herein to be been more and a supergress under table of these properties of these properties of the properties of the properties of the properties of the second industrial Essate which is herein to be been more herein of aggregate under table of these properties of the
perceiving any fa

ook value,

Heritable, freehold and principal leaseho (a) Properties used by the Calcilnam Holding

Octiper Arrass fe ... Description Herinde properties St Mary's Industrial Estate, Dural 11/21 and 25 High Suffer, Annual 5,450 42,375 Beind & Sourt Lin Vehicle with Associated Merika Associated Merika Ghigaw Limited Tamberland Limited Station : 23, 27/30 St.Andrews Square 30,900-Glasgow 15/17 Townless Succes, Happings, 2332 Annan Rose, Dumfries 3,400 14,580 bot Flar 317 Onsion Drive, Glasgow

Freehold propenties	
Bath Vale World, Congleton, Cheshard	· Polenesid Limited
Albany Mill, Canal Sucer, Congleton,	Tropical Packers
Cheslure	(Chesting) Limited
Anath Road, King's Norman,	Alaurace Lipkin & Co

189,750 Factory and officer - Figury and offic 24,620

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≠ofS er could have been released to a hay at that date (see some lofe); ber-1978 was £1.500.000. va

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1923

13 Reserves

10.91 % at the Offer for Sale price. Based on the above illustration, Caledonian Holdings would be valued at the Offer for Sale price at a multiple of 5.54 times carnings per share.

THE LONGER TERM

My colleagues and I on the board of Caledonian Holdings believe that we have within our group the quality of management which can maintain a good return on capital employed. We look forward to a stimularing and successful future as an independent group.

and an and a start and a	Tours faithfully,	
	W. Roy Burns	·
· ·	Chairman and managing director	

. . . .

ACCOUNTANTS' REPORT

The following is a copy of a report which has been received from Thomson McLintock & Co., the auditors of Caledonian Holdings Glasgow 19th January 1979

To the Directors Caledonian Holdings I inited. Noble Grossart Launed

(a) Report on a

men, sport on undired accounts 1973 to 1978. a report on the balance sheet of Caledonian Holdings Limited, Drimerly Stenhouse Industries Limited, ('Caledonian Holdings') at september 1978, the consultated balance sheets of Caledonian Holdings and its substitution companies ('the Caledonian Holdings') at 9.3 Oth September 1978, the is 1978, and the related sharements of Cassilulated motion and consolidated isomet and applications of its offs into a sense of the 1978. This financial information has all been prepared under the besterical cost constantion modified by group') at 30th September 1978, the con-group') at 30th September 197 for the live years ended 38th Se

for the live years mided 30th September 1978. This financial information has all heat prepared under the historical cost convention modified by the resultation of vertain motion. We have been autives of Caledonian Hokings since its incorporation in March 1972 and of the companies which are now by submission [all wholly owned) since 1964 for it later the date of their acquisition by Caledonian Hokings on the previous hoking company) with the exception of two valuablasy companies which are modeled by other firms of accountant and with it operation and which topother accounted for 1% of group itemovie for the year to 30th September 1978. We group profits before once and which topother accounted for 1% of group itemovies for the year to 30th September 1978. We group profits before once and which topother accounted for 1% of group itemovies for the year to 30th September 1978. The information presented below is based on the addeed accounts after making such adjustments to we consider necessary. The principal adjustment has been to the basis of evaluating stacks in order to comply with Statemens of Standard Accounting Practice Nature 9 which became effective in the year to 30th September 1978. In our opinion the financial militernation gives, under the historical core convention, on a consistent basis, a true and fair view of the state of atlians of Caledonian Hokings in 30th September 1978. There have been on malated accounts of Caledonian Hokings group for each of the first years to 30th September 1978. There have been on malated accounts of Caledonian Hokings group for each of the years to 30th September 1978.

(b) Report on proformum balance sheet as 20th September 1978 We report report separately on a proforma balance sheet of the Caledonian Holdings group at 30th September 1978. This proforma balance sheet reflects changes in accounting princy and certain immuchans which have occurred since 50th September 1978. These changes and menacions are set out in detail in note 10, in our opmont the proforma balance sheet sheet reflects the limited postnon of the Caledonian Holdings group on the baas that the matters detailed an note 16 had taken place on 30th September 1978.

Accounting policies The significant accounting policies adopted in preparing the financial information gives to this report are to follows:

(a) Basis of cosmolidation The group balance stores and sustainances of group harmover and profits and group source and application of funds include the accounts of Calebraics Holdman, and each of a subsidiance. upes and each of sta subside

(b) Stocks and work in progress Stocks and work in progress are valued on the basis of the lower of coar and net realisable value. In the case of manufactured stocks and work in moments, cast comprises direct material, ishour and production tretheads.

- (c) Government grammer (covernment grammer recovable in respect of capital expanditure are transformed to a special account and, except where related to buildings not subject to depression, are written back to problem discount over the estimated layto of the species to which they relate. (d) De

Depreciation of fixed assets No depreciation has been provided on heratable or freehold land and buildings. Letterhold properties are depreciated to equal installant the neuranamy life of the lanes or over the period to the new year review it earlier. Statement of Statuted Accounting Practice Number come info effect as the year 19 30th September 1979 and the group will then be required to provide an deprecation on most buildings

2.1. Depreciation on plans, equipenent and vehicles is charged on historical cost, without deduction of any government grants, on a straight lane is at varying annual rates, the principal of which are plans and equipment at 10% and 20% and which at 5% and 37%. One substantly has provided additional depreciation on plant and equipment based on a revolution of anota. The revolution of that plant equipment is not incorporated to the group accounts.

(a) Deferred tax (b) Deferred tax Provision has been made at the rate of 5.2% throughout the period for the deferred liability in corporation net arising from turning definences between the treatment of costs and recenues for my purposes and for accounting purposes. Provision has also been made for the potential liability to corporation tax which would arace on the dispont in book value, outwith the Semhouse Holdhagi and Caledonian Holdings groups, of the properties which were transferred to and leaned back from a fellow subsidiary company (see note 7). Subsequent to 30th September 1973 the director have reviewed the provision for defetred tax to the light of Seminent of Sinadard Accounting Practice Number 16 fue note 16(5).

(1) Thermover Turnover represents the value of all sales invoiced to customers during the year less repurse and trade discounts and excludes inger complete frameworking and value added to:.

(g) Opening and closing of stores Pre-opening costs relating to new stores and gams and losses on closure of stores have been charged or credited in arriving at unding profiles.

Group turnover and profits

· .		1602-0	COMPANY OF A	·	
	ate 1974	1975	/976	1977	1978
	£000	<u>400</u> ∂	7000	1000	£000
Tumprer-b. division	· · · · ·				
Home improvement	7.090	5,379	11,374	12,715	16.239
Jewellery	5,236	6.583	6,317	5,475	9,044
Engineering	0.293	6.954	8.542	10.952	12,500
Ladies hosiery	4.156	4,219	4.851	4,743	4.154
Total	12.765	26.115	31,484	36,895	41,937
of which exports	1.100	1.056	1.579	2.473	2,058
Trading profit (loss) before	_				
interes and res-by driving	1 .	· · ·			•
Home naprowance	. 288	402	627	706	767
Jewellery	841	941	000	961	880
Engineering	652	615	. 679	890	923
Lades howery	179	1 LOt	-14	83	300
· .	1.962	1,949	1,960	2,632	2,870
Central costs	(50)	[[[08]	1000	- (205)	. (142)
	1,926	1.841	1.800	2.427	1.728
Less Interest	2 264	276	315	40)	385
Profit before Laz	1.00.	1.565	1.545	2,024	2,443
Less Ta	3 540	-815	815	1,134	1.324
Profu after tax	822	127	7.29	890	1,119
Extraordinary items	4 (19)	1050	6	(12)	(23)
Na profu	703	675	715	578	400,1
Less, Dividend	500	350	350	150	400
Recanced prote	133	315	385	528	n46
Lamongs per share before corractionary penes based on					
10,000,000 mund ordinary wares of 25p cash	8.20	7:20	5·3n	8.94	-11-20

47	73	.75
3 314	110	108
4 50	61	66
L 91	104	-111
	75	
	— '	_
) (23)	(31)	(20)
	(502)	(158)
a belance sheet t	innolucion of the additional an	Statement of
1975	1877	1978
	.000.	1000
134	. 132	121
81	72	62
2 108	202	107
18)	13)	0
315	403	285
uits of reard we		
man or statist Act		- sunstary
1975	1977	1978
1000	1000	1000
. 650	328	112
-		317
156	793	885
815	1,121	1314
(876)	[69]]	1323)
651	14 .	1191
203	685	352
(11)	13	10
		-
-	1,134	1,324
from the incident	a of sock relief	and furst wear
	and all strategy in the state of	- mos Juni
1975	* 3977	1578
1000	1000	1.000
		(10)
_		- 4
-	-	
12	(1)	(3)
]0)	(9)	(14)
6	1121	(23)
1978	1977	
1978 £000	1977	1978
2000	1000	1000
-	39	4
		41
. 2	=	41
316	355	291
35	35	- 35
4,916	4.597	5.435
5.276	5.035	
		5,806 3,346
1,827	1917	2,460
	3,449	3,449 3.118

shares at cost less provisions for losses	2,638
owing by submarry companies less provisions for losses	1,245
awing to mhadiary companies	1.874 (1.307)

(b) Details of the operating subsidiaries of Caledonian Fieldances at 30th September 1978 are given within "General Information" below. All these computities were wholly owined throughout the period covered by this report except for CPS Jowellery Co. Limited which was acquired with effect from 19 January 1974.

effect inten is January 1974.
7 Lissus to Officer watchildery company in 1974, earlier solutions of the transferor subsidiaries') transferred to and leared back from Stenhouse Properties. (London) Linuard (Stenhouse Holdings ('the transferor subsidiaries') transferred to and leared back from Stenhouse Properties. (London) Linuard (Stenhouse Holdings, or the transferor subsidiaries of Lakedonan Holdings (the transferor subsidiaries') transferred to and leared back from Stenhouse Properties to the transferor subsidiaries of the transferor subsidiaries of the transferor subsidiaries of the transferor subsidiaries at its Conver 1974 carried out the results is not continued to a transmittor of the properties at its Conver 1974 carried out the transferor subsidiaries to Stanhouse Properties for the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries in the transferor subsidiaries and these options are the properties at the same prior a which they were transferor by them an Stenhouse Properties and these options and be exercised at any frace prior to 31st March 1940. As detailed in note to (a) Stenhouse Properties to be the subsidiary of Calendonian Holdings on 4th January 1979, with the effect that the properties were at hist date receptivel by the Calendonian

is and work in progress 1975 1000, 2,476 1,307 3,620 7,403 1976 1000 2,360 1,709 4,222 8,291 1973 1978 2,684 2,093 6,164 10,941 1974 1977 (000 1_772 1,005 2,516 4,793 AD00 2,414 1,304 3,172 6,890 2,824 1,831 5,224 9,879

	-		-
	•		
Goods purchased under restruction of title			

tred subject to re LOC LANGUAGE HOLENES STOLP PURChases mode from certain suppliers . made, it.m, however, amountainable to convert of a superior statement of the superior of th

Colatonia Holdings		_		Group			
1978 1000	Unsecuted	;953 £900	1974 £000	1975 1000	1975 2000	(977 (090)	1978 1090
	6145e underund loss speck						_
385	1984/89 The unsecured lase mock	385 ·	385	385	385	385	385
1,253	1985/90	1,399	1,391	1,359	1,304	1,296	1,253
·	Trade load (inferent free) Eurodollar ioto	6	5	4	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2	-
-	(variable interest)	-	-	-	36	-	-
•	Secured Department of Trade				•		
_	ind Industry 17/25/29%%)	139	85	80	-	40	
Ξ	Other (6%%)	43	40	37	75 34	69 30	27
,638	C100 10 10 10	1,972	1,900	1,865	1,837	L784	1.665

	Burningham Tachbrook Road, Learnington Spa, Warwickhare	Limited	28.312	Factory and officer
	Meadowfield Industrial Essue, Langley Moor, County Danham	Unoccupied at present	36,000	Excory and others
	Principal leasehold properties 174/176 Dation Road, Barrowin-Forness, Cutobria,	Timberland Limited	7,380	Shop. Res. 15,485 per unitor subject to
	114 Craubrook Road, Bland, Essen	Tenberturel Linesed	8,965	Despiration 87 years. Shop and two flow, Rent 55,600 personaan, subject to review in 1986 and entry likin year
	Birch Road, Broadmendow Industrial Estate, Damberton	Ideal Timber Products	139,000	thereafter. Untrajined term 92% years. Pacany and officer. Reat 6150 per mouth without service. Unergined term 46% years.
	274/278 Whitchill Street, Glasgow	Educion Brown & Co- Limited The Clauser Engineering	17,730	Factory and officer. Rest £38 per somm without newlew, Unexpired term 28 years:
	57D Hanna Garlen, London EC1	Co. Limited.	6,740	Factory and offices Henr £2,000 parameters
(b) Properties used outwith the Caledonian Ho Heritable property	dings group	-	without resider. Unerpied term 21% years.
	7/13 High Succt, Locischie	Birduils Service Station	16,850	Warkshop and gates
	Templett			

Freehold property 5960 Croydon Road, West Wickham, Nicholls Automobiles 3,100 Shop and rwo mail Kent

GENERAL INFORMATION

al an Holdings was incorporated in Souland under the Companies Acia 1948 to 1967 on 3rd. March 1972 as Specificone Constant unged its name to Stenhouse Lindstoves Linuted on 27th March 1972 and subscopently changed its name to Caledonian Holdin

Share capcase. Galedonan Holdings was incorporated in Sociard under the Companies Acis 1945 to 1967 or 3rd March 1972 as Swithous Churkmanner. Linnet d. It changed its name to Stembouse lifetures Linnetd on 27th March 1972 and subsequently changed its name as Catedonian Holdings. Junited on 15th Nonember 1975. Ou 19th Jammy 1977, being the daw 2 years prior to the daw of this document, the sufficient changed its name as Catedonian Holdings (1079 (d) the authorized and stated share capital or 21 and a sufficient on the daw of the provide the same as Catedonian Holdings (1079 (d) the authorized and stated share capital or 21 each, all of which were in fame and fully paid or credited as fully paid. On 19th Jammy 1977, being the daw 2 years prior to the daw of which were in fame and fully paid or credited as fully paid. On 19th Jammy 1977, being the daw 2 years which were in fame and the fully paid or credited as fully paid. On 19th Jammy 1977, being the creation of \$2,600,000 without were in fame and fully paid or credited as fully paid. On 19th Families and states of \$2,600,000 orthoury shares of 20,000 by the creation of \$2,600,000 without 3 whore of 27p each; (hi) Stembouse Holdings as thereined share capital was partners bursts of 25p each as a price of \$270 per share. Save as mentioned shore and for the issue by Stembouse Troperities in Stembouse Holdings or say of Standburst have bus been based for each or otherwate or a proposed to be so insted. Jawes of states capital is versior considering which if the 6 months Holdings of sub-other was mount to subscription by Catedonian Holdings without the proce superval to which considering which if the 6 months \$300 of the superval of the totake of \$300 of \$300 of \$300 of \$300 of the superval of the totake of \$300 of \$3

no starte or internet in general meeting. No starte or ioan capital of Caledonian Holdings or noy of its subsidiaries is under option or approximent, conditionally or my

conditionally, to White a new control of the second state of the

contention with the issue of said of any Gapma in Carbonana-Large and a start 1964/09 and \$1.252.774 of 764% online internal loss model. Contention Holdings has oursening (264,969 of 644% unsecured loss mixed by Stechnum Holdings, In confidentian of 198590 (the loss interla). The loss mechanic like loss mechanic Holdings has marked by Stechnum Holdings, In confidentian of Stechnum of the momined around of the loss special control from time to ince, with effect from like Vehicles as interlations of a Carteria submitted with the loss mechanic like loss of the loss of the loss ince, with effect from like Vehicles as interlations of the moments of the moments of the loss of

ary companies means Holdings has the following operating subsidiaries, all of which are whally owned and are private Date of County of

Home initiativement division and the second dinterval division and the second	
Timbering Limited 14/63 Standard Crothing Mean Timber Produces Limited 1/1004 Scattand £168,000 Expediate Publicity Limited 2/1730 English £168,000 Jeweillery division 2/1730 English £100,000 Jeweilery division 2/1730 English £100,000	
Ideal Timber Produces Limited J/1004 Scattanid £168,000 Expedite Publicity Limited 2/1730 England £56,000 Jewellery division 3/2000 Scattanid £56,000 Jewellery division 199735 Bardief 500,000	š
Levelacy division Jewellery division Maurice Linkin & Co. Limited	
Jeweikery division Maurice Linkin & Co. Limited 196975 Bradewit	i i
Maurice Lipsin & Co. Lipsied 19/9/35 Envised	
	a 🔨
Henty Griffith & Sons Lumined 250750 England (160-000	
Slade & Woolf Limited 27/947 England	
Cro cweller Lo. Lintited 741 748	
Maurice Liptin International Liptind 10/12/43 England 122,000	
Maunce Liphin & Co. (USA) Limited 238975 USA US\$400,000	Ł.,
Engineering division	1
Polarcald Lamired 194547 England 1208.000	
Tropical Packers (Cheshire) Limited, 26645 England, 213.040	1.00
Associated Metal Works Giasgow Lanited	F
The Carmar Engineering Co. Limsed 20/978 Souther 100,000 Educates Brown & Co. Limsed 24/220 Southerd 10,000	
I United Software 1	
	Ł.,
Latins hoticry drynami Barbar & Machalls Limited	
Harbor & Nicholls Limited Nicholls & Wilson (minut	

In terms of an agreement chood 4th January 1979 Californian Holdings acquired from Sectionar: Elektings to which instant house Properties (London) Limited (Sectionar: Properties) for a consideration of \$400. At that date, the which instant partners comparised corrain the twitcher include and machinal properties which had a book which and the prime above Properties (London) Limited (Sectionar: Properties) for a consideration of \$400. At that date, the primetral ma-partners comparised corrain the twitcher include and machina the Deck which had a book which the primetral ma-nistone Properties comparised lowns of \$1,434,000 and stee prime the Manch 1965 and has on interded and machina of \$400. The view in the

W. R. Burn

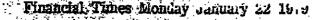
ner Anderens of Caledonias Holdings ar their respective families at present owns or a harrenal re following units sets our the interests, all of which are beneficial interests, of the directory of Cale as of the Companies Acts, in the interd share capital of Statibure Holdings on 19th Jaminy 1979; and in my she of the company. The fo



I.R. Convert H.V. Manfield B. A. Neiman N.S. Macfarlane R. G. Newbay The approprie oldings for the year to Sill Sectors for the year or 30th Sectorship of the directors of Caleborius Ho TIL.SIT. Cale r 7978 🛥

(127)00. W. R. Burn has extered into a service agreement with Calerbourn in the four to faith September 1979 are experied in hexappointing W. R. Burn has extered into a service agreement with Calerbourn Ford (2000) per terminin inclusive of the sense from hexappointing to a service agreement with Polacoid, which ignorance is due to expire on 20th September 1981, at an annual analy, analytic to periodic to periodic revew, which is excerpt you the east of 20,000 per terminin inclusive of dimension flows. He v. Marriedt has evident the service agreement with Polacoid, which ignorance is due to expire on 20th September 1981, at an annual analy, analytic to period in the service agreement with Polacoid, which ignorance is due to expire on 20th September 1981, at an annual analy, analytic to period in the set of 223,100 per animul inclusive of dimension? Income to the set of 223,100 per animul inclusive of dimension? Income to the set of 223,100 per animul inclusive of dimension? Income to the set of 223,100 per animul inclusive of dimension? East of the year of the September 1981.

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Raw na Work u Finishe	terials progress 1 goods		



Jan. 22-31 British Toy and Hobby Fair (01-707 7127) Jan. 23-Feb. 1... Lightshow 79 (0248 88308) Jan. 30-Feb. 1... Fancy Goods and Gift Trade Fair (041-334 9249) Jan. 31-Feb. 2... Microsystems 79 (0483 31261) Feb. 4-8 International Spring Fair (0428 52785) Feb. 5-8 London Catering Fair (0428 52785) Feb. 7-8 CBMPE London Extibition (01-637 8841) Feb. 13-15 Catering, Likensed Trade, Hotel and Club Exhn. (0202 21812) Feb. 13-22 International Man's and Boy's Wear Exhibition International Man's and Boy's Wear Exhibition IMBEX (021-705 6707) Feb. 19-22 Fhotography at Work Exhibition (01-688 7788)

OVERSEAS TRADE FAIRS AND

Jan. 22–25 Jan. 22–25 Jan. 22–25 Jan. 22–25 Jan. 22–25 Jan. 22–25 Jan. 22–25 Jan. 22–25 Jan. 22–25 Jan. 22 Jan. 22 Jan. 22 Jan. 22 Jan. 22 Jan. 22 Jan. 22 Jan. 22 Jan. 22 Jan. 22 Jan. 23 Jan. 24 Jan. 25 Jan. 25 Jan. 26 Jan. 27 Jan. 27 Jan. 27 Jan. 27 Jan. 28 Jan. 29 Jan. 29 Jan. 29 Jan. 20 Jan

Practice (01-242 2481)

UK TRADE FAIRS AND EXHIBITIONS

British Toy and Hobby Fair (01-707 7127)

International Boat Show-BOOT (01-409 0956)

International Motor Show International Toy Exhibition (01-439 3964)

International Andiovisual & Communications Show International Andiovisual & Communications Show Internati, Sweets and Biscuits Fair (01-409 0956) AIRMEC 79—The Aircraft Maintenance Men's Exbn. (St. Albans 63213)

Textile Institute: Annual Conference: Cotton in a Competitive World (061-834 8457) (until Jan. 23)

Institute of Offshore Engineering: Risk Analysis of Offshore Installations (031-449 5111) ESC: 1979 Finance Directors Conference (057

IPM: Foundations of Good Industrial Reletions (01-387 2844)

Executant Conferences: Product Liability (0494 33171)

(0494 33171) FT Conference: Business in the Gulf (01-236 4382) CCC: Minimising Tax Series 1979-Working Abroad (01-222 6382) BCPA: Unfair Dismissal (01-405 1023)

... CCC: Minimising Tax Series 1979-VAT ... Oyez-IBC: Design Liability in the Construction Industry (01-242 2481) ... Development Board for Rural Wales: New Small

Businesses (0686-26965). University of Bradford Management Centre:

Cranfield School: Young Managers, Course, (0234

751122) Oyez-IBC: Advertising to Doctors and Dentists (01-242 2481) IPM: Unfair Dismissal everything you wanted to know but were afraid to esk (01-387 2844)

Charterbouse Management: Finance for the Non-Financial Director (01-606 0121)

Financial Director (01-606 0121) Institution of Mechanical Engineers: Engineer and Society 01-339 1211) IPM: Selecting the Right Candidate (01-387 2844) Altacus: Rent Reviews and Renewal of Leases (07782 4471) Business Perspectives: China's Industrialisation-the role for Britain (01-589 3197) BACDE: The Qualification Jungle (01-942 6641) ASM: The Legal Implications for Engineering Contracts (01-385 1992) RRG: Managing the Risk (01-236 2175)

The Henley Centre for Forecasting: Practical

Training in Forecasting (01-251 3841) ASM: Project Management (01-385 1992) Piccadilly Hotel, W1 - U.S. Expatriate Taxation: Workshop (01-606 5531) Piccadilly Hotel, W1

Industrial Relations Negotiation (Bradford 42299)

Venue Earls Court

Earls Court

Falcon Rooms

Dusseldorf

Amsterdam Paris

New Delhi

Heriot-Watt University

Royal Gardan Hotel, W8

Whites Hotel, W2

Europa Hotel, W1

Dorchester Hotel, W1

Sudbury House, EC1

Whites Hotel, W2

Carlton Tower Hotel, SW1

Royal Lancaster Hotel, W2

Bnil Hotel, Gerrards Cross

Grosvenor House, W1

Portman Hotel, W1 Waldorf Hotel, WC2 Portman Hotel, W1

Hilton Hotel, W1

Llandrindrod Wells

Cranfield, Bedford

Heaton Mount, Bradford

Royal Lancaster Hotel, W2

Dragonara Hotel, Bristol -

St. Ermin's Hotel, SW1

Odeon, Marble Arch, W1

Kensington Palace Hotel, W8

Grosvenor Honse Hotel, W1

Royal Antomobile Club, SWI Marriott Hotel, Amsterdam

Whites Hotel, W2

Park House, W4

Carlton Tower, W1

1.5.5

Ashridge College, Berkhamsted

Paris

Zurich

Cologne

Olympia Cumberland Hotel, W1

West Centre Hotel, London Exbn. Centre, Birmingham

New Horticultural Hall West Centre Hotel, London

Olympia Wambley Conference Centre

EXHIBITIONS

BUSINESSMAN'S DIARY

Title

Institute

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Jan. 30

Jan. 31

Feb. 1-2

Jan. 30-31

Feb. 1

Feb. 3-4

Feb. 4-23

Feb. 5

Feb. 5-6

Feb. 5-9

Feb. 6

Feb. 6-8 Feb. 8

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Feb. 6-8

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معنون فراجعه

Jan 29-Feb. 2. Feb. 6-9

18

Feb. 10-16

--31 --Feb. 1.



Elilott Group of Peterbo Hison and Robbins 2.142¢ GE1 Int. 1.60 G.R. Hidgs, 4,050

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Renk Drganisati Tate and Lyle Union Discount

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15.5

Setton 61 Stroud 83 Sutton 63 Tendring £5.5505 Vansbeck 26.5505 Velume

WEDNESDAY JANUARY 24

COMPANY MEETINGS-Deventish (J. A.), The Brewer, Hope Sq., Weymouth, 12,30 General Scotcholders Inwer, Trast, Win-chester House, 100, Old Stoad St.

chester House, 100. Old Broad St., 10.45 IEPC, Dorchester Hotel, Park Lase, W. 12

Noverhampton and Dudley Preveries, Station Hote:, Castle Hill, Dudley, 12, BOARD MEETINGS-

stast: tils (James) Sizel rition Thompson and Evershed tilsh, English and European Textiles estast-suisbole Metal

DIVIDEND & INTEREST PAYMENTS STORINGTONE 6 SPC Bds. Rad

\$5.5505 overntry Gapc Bds. Red. (24-1-79) \$5.5505 rawley Sipc Bds. Red. (24-1-79) £5.5505 gmeensine Sipc Bds. Bds. (24-1-79)

12'spc Bds. Red. (24-1-79)

ugh 67apc Bds. Red. (24-9-79)

Parliament WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

ugh 0.25a

(24-1-79)

TODAY COMPANY MEETINGS TODAY: Commons. Weights and Measures Bill, second read-Avon Rubber, Melksham sham, Willshire, 12.30 House, Melk-

Select Committees. Public Accounts. Housing associations. Witness: Department of Environment, 4.45 pm. Room 16. Expenditure, Education, Arts and Home Office Snb-committee. Women and the penal system. Witnesses: National Association of Probation Officers, Prison and Borstal Governors branch of the Society of Civil and Public Servants. 4.15 pm. Room 15.

TOMORROW: Commons. Resumed second reading debate on Industry Bill. Social Security Bill, remaining stages. Lords. Consolidation Bills Committee, Debate on future of BUSINESS AND MANAGEMENT CONFERENCES

this week

ing.

coal industry. Select Committees. Nationalised Industries, Sub-committea A. Report and Accounts. Witness: Britisb Transport

Docks Board, 4 pm. Room 8. WEDNESDAY: Commons Public Lending Right Bill, re-

maining stages. Lords. Representation of People (Armed Forces) Bill third reading. Debates on social and industrial policy-making and proposed transfer of flights from Heathrow to Gatwick.

Select Committees. Nationalised Industries, Sub-committee E. Ministers, Parliament and the nationalised industries. Witnesses: Professor J. B. Meech, Mr. M. Garner, 4 pm. Room 8. Nationalised Indus-tries, Sub-committee B. Report and accounts. Witness: British National Oil Corporation. 10.45 am. Room 8. Science and Tech-nology, Genetic Engineering Sub-committee. DNA policy.-Witness: Health and Safety Executive. 10.30 am Room 15. Expenditure, Trade and Indus-try Sub-committee. UK domestic air fares. Witness: Airlina Users' Committee, 10.15 am. Room 16. Expenditure, Social Services and Employment Subcommittee. Perinatal and neonatal mortality. Witness: Royal College of Obstetricians and Gynaecologists. 4.30 pm, Room 16. Overseas Development. Pattern of UK aid to India. Witness: Crown Agents, 4.30 pm. Room 6.

THURSDAY: Commons Debate on Opposition motion on doubling of prices in under five years. Motion on EEC documents on the steel industry. Lords. Marriage (Enabling) Bill, second reading, Debates on

monserial situation a	ца годаод
airports.	:
	:
TRIDAY. Common	a put the

FRIDAY: Con members' Bills.

BOARD MEETINGS Fields Alexanders Discount Graenfrühr inv. Hall Bros. Steanship Lede investmene. Trust Interfeis Interfeis Interfeis
DIVIDEND & INTEREST PAVMENTS-
Atkins Bros. (Hoslery) 1,375p Avon Rubber 6,3571p Banco De La Nacion Arganting Floating Rate 1963 546.16
Binginghem Mint 1.9p Bresway 1p
Exchequer 12pc 1999-2002 54.7538
Kangalits-Osake-Pankid Nosting Rate Cap.
Macanie (London) 6.335p (inc. sepp. dist. of 6.625p 1977; Midland Int. Finance Services 9.V. Ficet- ing Rate 1993 548,76
Midland)nt. Finance Services 9.V. Ficat-
Ing Rate 1993 \$48,76 Norcros 1.750
Northern Goldsmiths 0.85a
Property Hidg. Invest. Trust 0.081p (sup-
property_Hidds., Inv. Trust. 3p
Talber 6.550
7ressury La 134pc 1997 63pc
Treasury Ln. 12 Loc 1992 Biepc Warnington (Thomas) 1.1637
Winner (George) 0.77074p (Inc. supp. dist. of 0.01032 1977)
TOMORROW

COMMANY MEETINGS Elson and Robbins, The Post House, Bastocks Lane. Sandhare, Notimpham. 11 aganvale Est., 1a Queen'a Gats, SW, 11 BOARD MEETINGS shdown Invest Trust Interime Davy Corps, G.T., Japan Invest, Trust Smith Bros. Smith (David 5.) DIVIDEND & INTEREST PAYMENTS-

Alpine Soft Drinks 2.479679 fnc. supp. dist. of 0.065679 1.4-78) Beilwary Midgs. Ord. 1.5130 Burnett and Hallamshur Hidgs. Ord. A 1.813249 fnc. supp. dist. of 0.62152 23-2-75 Cattyrns 2.29 Danks Gowerton 0.79

CONTRACTS Pye TMC sells £4m **X-Press callmakers**

PYE TMC, the Philips sub-sidiary, has received orders one key. worth f4m from the Post Office for 22,500 automatic dialling first time that a post office has button instruments. **Pye TMC** says that it is the offered this type of instrument to subscribers as part of its

to subscribers as part of its standard range. The automatic dialling instru-

mant: called "X-Press call-maker" can store up to ten numbers each up to 18 digits Barratt Developments, the bouse builder, has ordered 20 System Ten 220 computers from INTERlong. Calls can be made to any of these numbers by pressing NATIONAL COMPUTERS. They only two buttons.

will enable Barratt to continue development of a standardised The instrument can also be used to store numbers which are not in the permanent memory. accounting and management reporting system previously based The last number dialled is autoon a variety of manual, mechani matically stored so that if it is cal and bureaux facilities. The found to be engaged, it can be order is valued at over £350,000.

Public Works Loan Board rates

	Effective	fron	1 January	2	0		
	Quota	loang	repaid		Non-quota	loans	A* repaid
Years	by EIPt	A‡	maturity§		by EIPt	At	maturity§
Up to 5	131	131	131	•	131	137	137
Over 5, up to 10	131	13 1	131		137 '	14	141
Over 10, np to 15	134	13Ī	131	•	141	141	141
Over 15, np to 25	134	13Ĵ	137		141	141	141
Over 25	137	133	13	·	141	141	141

APPLICATION FORM

• Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalmants of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With balf-yearly payments of interest only.

Wiptown 5%pc 3ds. Red. (24-1-79) Brown (John) Burz Boulton Cook (William) THURSDAY JANUARY 25 COMPANY MEETINGS-modiated Eng., Sevoy Hotel, Strand, W, DIVIDEND & INTEREST PAYMENTS-Allied Plant 0.4p ByB Indt 4.2p Sant & Bushan 11 apc Eds. Red. (21-7-78) 55% Control - 11 apc Eds. Red. (21-7-78) Charrington, Grossenor W. 12 Park Lane, W. 12 Brown (Matthew), Tradaigar Hotel, Five Borred Gate, Samlesbury, 12 Carasans Int., Great Eastern Hotel, EC, 12 5¹⁰Borders 9° apoc Bds. Red. (1-8-79) 4¹⁹16PC Brids & Benzoi Carbonising 6.59 Brids & Benzoi Carbonising 6.59 Bricks 9° apoc Bds. Red. (1-8-79 4¹⁰ apoc Desting 19° apoc Bds. Red. (1-8-79)

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Vinessoe, 5t. Ermin's Hotel, Canton St. SW. 12 BOAD Allect Textils Allect Textils Bank Leumi (U.K.) Derby Trust Lorell (T. J.) Smelishew (R.) (Knitwest) Weston and Philip Interimes

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ndbease Macarithws Pharmaceuticals-ichiesioger Far East Flind chiesioger Intal, Fund (Jersey) Terogenorico Trust DivideND & INTEREST PAYMENTS---Artono Tolker 9ds, Red. (20-1-92, 51kpc Attwood Garages 0.6125p Austrelia & New Zealand Banking B.2182p Jankers Trust Hew York Coro. 75cts. Jankers Trust Hew York Coro. 75cts. Jankers Trust Hew York Coro. 75cts. Jankers Trust Hew York Coro. 75cts. Jankers Trust Hew York Coro. 75cts.

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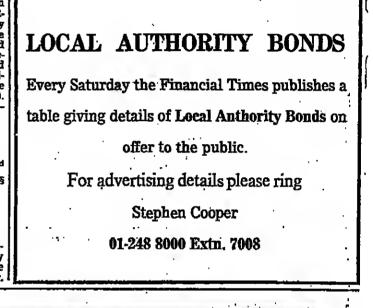
Whetsoe 1177 Whitseed Invs. 1.8501s Gnc. supp. dist. of 0.0394s 31-3-78; Wolverhampton Ver. Rate Eds. Red. (207-83) 55.625 Wotrerhampton and Dudley Preventes 4.56459 (after atticks re pension ellowances or other similar payments) Aunoc. SSCIS G.2.C. SSCIS Harris SCHLIppi 1.495p (Hrc. aupp. dist. of 5.0045p 37-8-761 London Store Bds. Red. (23-1-80) 4Japc MEPC 2.3255p MEPC 2.3255p

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12pc 1995 6pc d 94pc 8ds. Red. (21-1-81) FRIDAV JANUARV 25

ANY MEETIN CommrANT MEETINGS-Commission Alchem Works, Fration Trading Est., Portsmouth, 12 Cooper unrederteki, Goldhorn Hotel, Peap Rd., Wolverhampton, 12 Vaux Birgwerles, Sesburn Hotel, Sunder-land, 12 Wilkims (John) of Cardiff, Royal Hotel, St. Mary St., Cardiff, 12 BOARD MEETINGS-BOARD MEETINGS-Finals: C.G.S.B.

Drkney Islands 11-500 view (23-7-80) 63/apc S¹⁰/roc Rueby IZJopc Eds. Red. (23-7-80) 63/apc Tameside 11-50C Eds. Red. (25-7-79) Tameside 11-50C Eds. Red. (25-7-79) Triplex Foundries 1.80620 (inc. supp. dist. of 0.0452 31-78) SUNDAY JANUARY 28 DIVIDEND X.INTEREST PAYMENTS-Idias Pacific Red, Pf. (Series A) 3%DC



CALEDONIAN HOLDINGS LIMITED OFFER FOR SALE BY NOBLE GROSSART LIMITED. and the second second second

Articles of same "The anticles of association of Caladonian Holdings contain provisions (notice alia) to the following effect:

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Preferencial consideration will be given in respect of a maximum of 1,000,000 ordinary shares to applications made by shareholders of Stenhoise Holdings on the register no 12th January 1979 using the preference application forms sent to them. In the event of the road application, made on preference application forms by shareholders of Stenhoise Holdings on the preference application forms by shareholders of Stenhoise Holdings on the preference application forms will be exceeded down for acceptance protons for an even of the test of the product of the preference of application for acceptance proton and the same base as applications made by the general public. Acceptance proton will be touched on a thesame base as applications made by the general public. Acceptance of applications will be conditional upon the whole of the issued 'share capital of Caledonian Holdings being admitted to the Official List at The Nock Exclored proton granted by that due and, in the measure base by Base (Scotland in a sequence of application will be returned in the distribution to the Official List at The Nock Exclored proton granted by that due and, in the measure will be returned if such admitted to the Official List at The Nock Exclored proton granted by that due and, in the measure base by Base (Scotland in a sequence of application to not accepted, the amount paid on application will be returned in full and, if any application is solved for factor shares then application of the amount paid on application will be returned in full and, if any application is solved for factor shares the application's mate.

Bank of Scotland New Issue Department, 26A York Place, Bdinburgh EH1 3EY (031-556 9351) New Issue Department, PO Box 267 30 Bishopsgate, London EC2P 2EH (01-588 7651)

- and from the following branches of Bank of Scotland:
 - West End Branch, 501 Union Street, Aberdeen ABI 2DB

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513100C Esser Var. Rate 9ds. Red. (20-7-83) 65.825

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£5.82

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9C Brd Chartered Benk 6.67550 (Inc. , dig., of 6.17580 (31-3-78) ock 930C Bda. Red. (1-8-79) 413400 of Var. Rate 8ds. Red. (20-7-63)

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SATURDAY JANUARY 27 DIVIDEND X INTEREST PAYMENTS

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Alternation of class rights - Alternation of class rights - privileges or resultations for the time being mached to any class of shares for the time being issued may from time to time (whether or not Calexionian Rokings in being wound up) be shorepared, varied or modified with the consent in writing of the holders of not less than three-fourths of the result shores of the class of with the spacing of an eccanorithmy resolution parced as a separate general meeting of social holders. At every social separate general meeting with the spacing of the structure of Calexionian Holders in no "general tockings of Calexionian Holdings shall materials apply, encept that the necessary quarten shall be 2 periods as leave holding or "representing by proxy one third in nominal minous of the issued shares of the relevant class (but to the any adjourned meeting of an indicator of an error and the say holding or isolators a quartum shall be 2 periods as leave holding or representing by proxy one third in nominal minous of the issued shares of the relevant class (but to the any adjourned meeting of and indicate a quartum shall be 2 periods as leave holding or representing by proxy one third in nominal minous of the issued shares of the relevant class (but to the any adjourned meeting of and indicates a quartum shall be 2 periods as leave to the special rights conferent upon the holders of any shares or class of shares aball such the deemed to be valued by the creation or issue of further shares ranking part passes there with.

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acts ag constructs (act being contracts in the ordinary course of instiness) have been entered into by Caledonian Holdings or its up the 2 years inmediately proceeding the date of this document and are, or may be, traterist: into 5th December 1978 whereby Tambedand assigned to Harris Queenswar Group Lumsed its interest as tenant under a letter remises at Rightswood, industrial Easter, Renfras, for a consideration of 1320,000. This agreement is resized at make and 5th December 1978, hereing the date of the acquisition by Caledonian Holdings from Steudower Holdings of the whole is a first statement direct she lipmairy 1979, belaning to the acquisition by Caledonian Holdings from Steudower Holdings of the whole is a first statement of the statement is referred to under Subindary comparises above, is of 1956 January 1979, beging the Olie for Sale contract between Noble Grossart Limited, Stenhouse Holdings and Caledonian driv under 'Olie far Sale contract, showe

ir Caledonin Holings nor mayof in subsidiaries has any inggrion or chims of material importance pending or dreatened against it. Granger, has given and has any withdrawn its written consent to the issue of this document with the inclusion there is a single of an anne in and carrier to which it is included: man McLinger, has given and have nor withdrawn its written consent to the issue of this document with the inclusion their actuarties (specified) in the references to their amme in the form and context in which they are included, and their actuarties (specified) in the references to their written consent to the issue of this document with the inclusion their actuarties (specified) in the references to their amme in the form and context in which they are included. In Ellis have given and have nor which was their written context in which they are included. Normalities and the inferences to their name in the form and context in which they are included. Normalities instant contexts and written contexts, register with the statement of adjustments much by 'Doomson McLineet' & which forms are into a state and an area and the inclusion therein a state of the statement of adjustments much by 'Doomson McLineet' & they enditioned instant contexts and written contexts, register with the statement of adjustments much by 'Doomson McLineet' & they are the figures are (on in their account and "states"), how the figures are only of the Office for Sub and the forms of opplication a Rese defined to the Register of Owner States (Souther to states) in a state of a south of an angle is registered in Souther of the states of the states of the Regists and has its registered in Quine Strang (states) (sta

Copies of the following documents may be imported a the offices of Boyds, 36 Renfield Street, Giagow 52 IND and of W. Greenwell & Row Rels, Rivate, Bread, Street, London 35C440 92L, during usual basisets hours on any weeking during the 14 days following the senter of this documents. and a start prior, intern Street, Joseph Joseph Schn Sch, ming und tomathe termines. The mention of the becomests. The mention of the becomests of the second of the second start of the

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PROCEDURE FOR APPLICATION

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rate. Leners of acceptance will be renounceable up to 20th February 1979. The shares now being offered for sale will be registered free of stamp daty and registration for an the names of the purchasers or persons to whose favour letters of acceptance have been renounced, provided that, in the case of required attributes of acceptance duly completed in accordance with the instructions contained therein are lodged for registration on before 20th February 1979, ficutes will be desputched on 30th March 1979.

Copies of this Offer for Sale can be obtained from: Noble Grossari Limited 48 Queen Street, Edinburgh EH2 3NR-W. Greenwell & Co. Bow Bells House, Bread Street, London ECAM 9EL.

- Parsons & Co. 100 West Nile Street, Glasgow G1 2QU

Caledon

Number of shares for which application is made

(We endows a there a payable to "Bink of Scotlard" for the abo-multation for the stated number of the above ordinary shares of 23 Mapping for the same manager of the source extension of many an aber of shores and Live agree to attent the same or may an apred upon the terms of your Offer for Sale dated 19th Jamas column of Caledonian Holdings Limited. Live request that you

To: Noble Grossart Limited

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increase(s) (in full) Sumine and designation Mr., Mrs., Man & Tale)

Address (us full) .

Address (an full)

This farm should be filled in and form 50 Bishopagate, London, EC2P 25H toge be drawn on a bank in and be payable in

PO Box 9, 34 Reform Street, Dundee DD1 9AU PO Box 152, 110 St Vincent Street, Glasgow G2 5EJ PO Box 9, 9 High Street, Inverness IV1 1JB Piccadilly Circus Branch, 16/18 Piccadilly, London WIV 0AH St John Street Branch, 50 St John Street, Perth PH1 5SL and from the following branches of Barclays Bank Limited: PO Box 34, 63 Colmore Row, Birmingham B3 2BY PO Box 100, 22/30 Park Row, Leeds LS1 1PA PO Box 107, 4 Water Street, Liverpool L69 2DU PO Box 357, 17 York Street, Manchester M60 2AU 19th January 1979

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JOINT APPLICANTS (if any)

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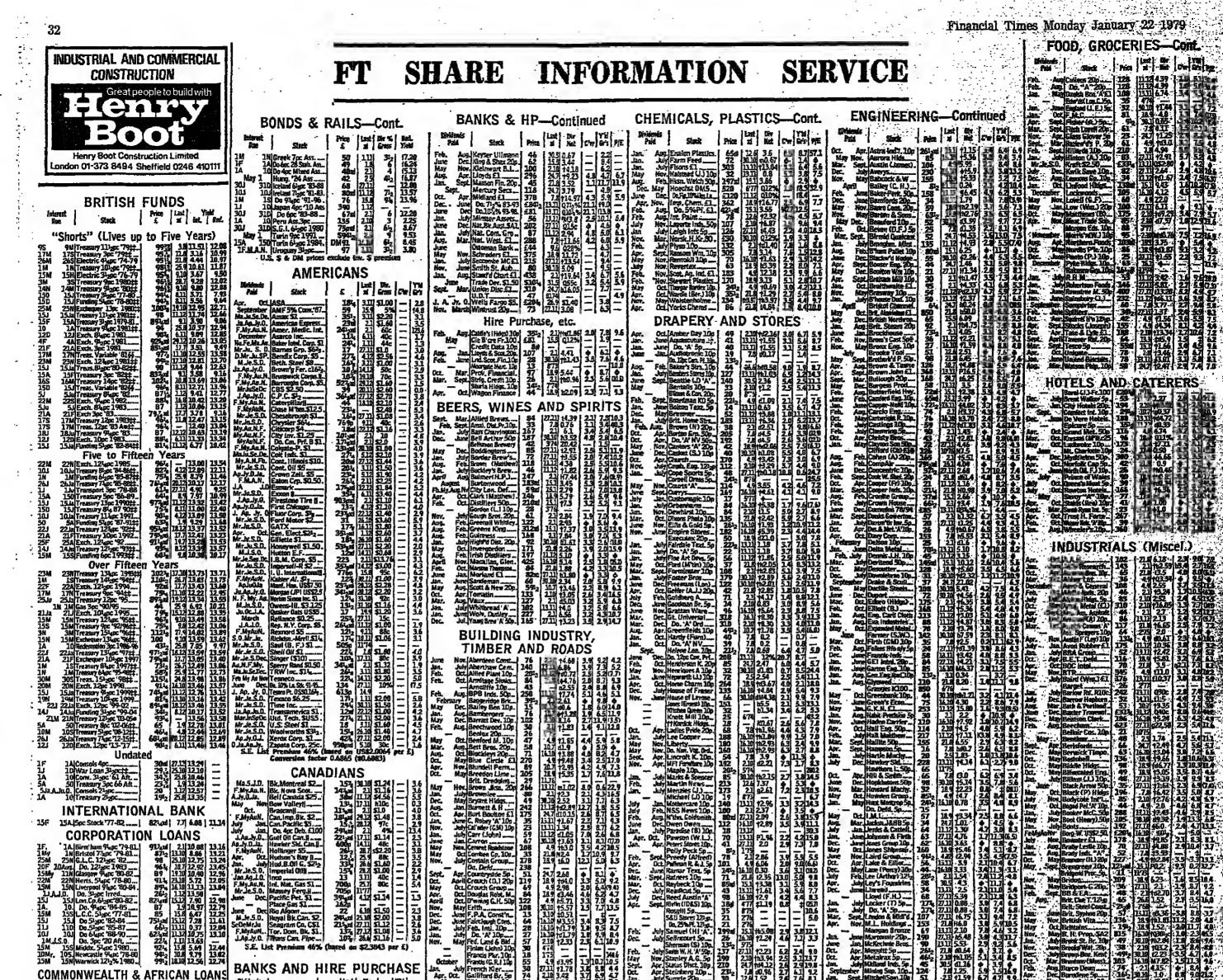
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* Anthonized Depositations are fixed in the current issue of the Bank of Encland's Notice ECI and include most banks and auchinomers in, and solutions processing in, the United Kingdon, the Channel Mando or he late of Man. "An Approved Agents in The Republic of Related in identications in the Bank of England's Notice FCI10 (as jarcender), "The Approved Agents in The Republic of Related in identications in the Channel Jakanda, the late of Man, The Republic of Particular distributions at present comprises—the United Kingdon, the Channel Jakanda, the late of Man, The Republic of

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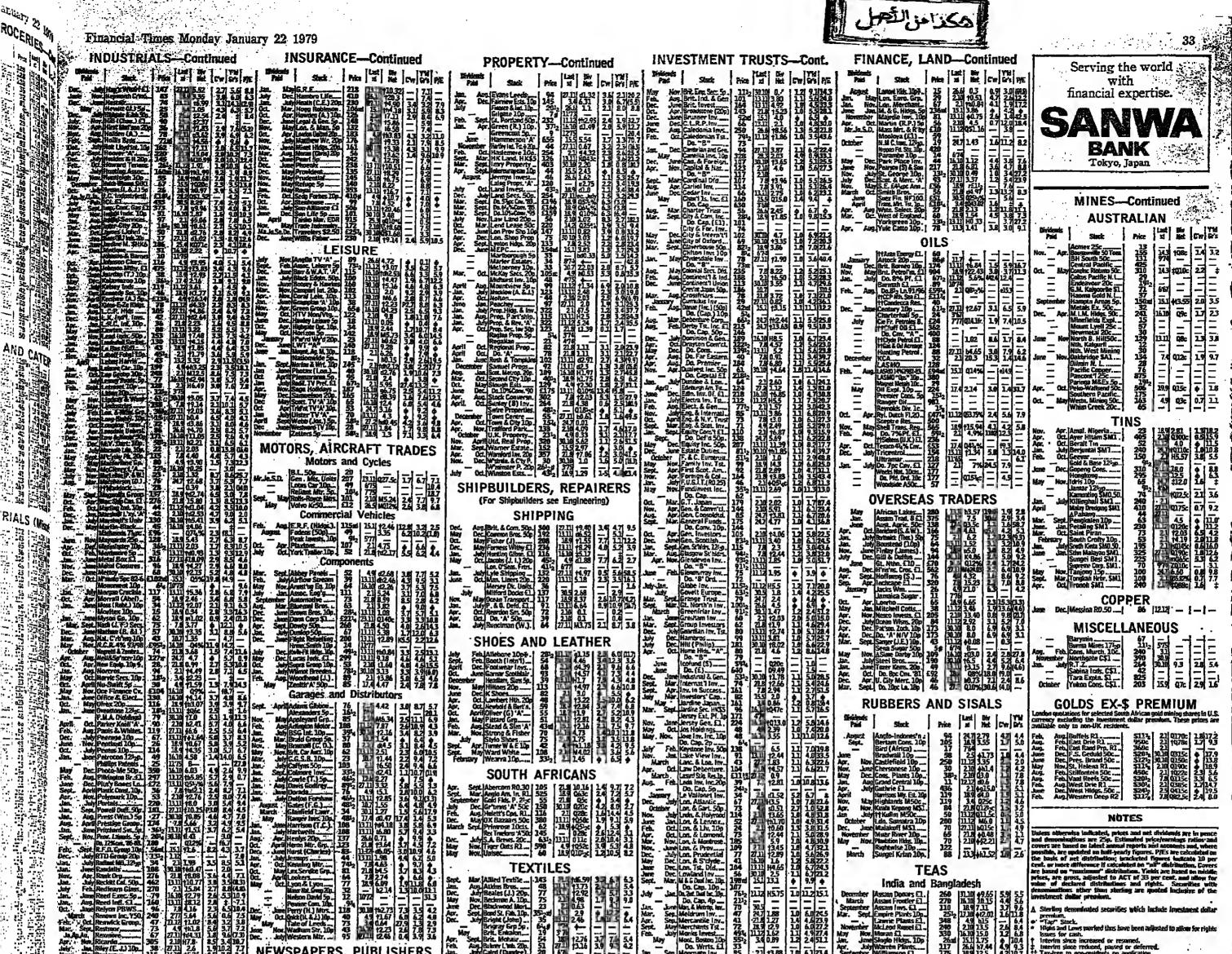
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FINANCIAL TIMES

Monday January 22 1979

Cost of Sullom Voe 'could top £1bn'

BY KEVIN DONE, ENERGY CORRESPONDENT

THE COST of building the workers at the isolated aite are Sullom Voe oil terminal in the demanding a work cycle of three Shetland Islands will rise to weeks on and one week off more than finn if additions to instead of the present four the project planned hy British Petroleum, the terminal manager, are spproved.

The terminal, which is vital weekend that the economics of to the UK's hopes of reaching huilding the terminal "would self-sufficiency in crude oil go out of the wi production hy 1980, is already demand was met. expected to cost at least £813m. An extra 400-50 But this will rise to more than f1bn if plans for four more crude oil storage tanks, a fifth jetty and two more crude oil loading pumpa are given the go-ahead.

Capacity

fo

The terminal is presently annual meeting in May to decide designed to have a cspacity for processing and loading 1.4m needed at Sullom Voe in four harrels of crude oil a day by end of 1981, equivalent to more than two-thirds of UK's total east of the Shetland Islands.

Lit began limited operation in November, but construction work at the site is threatened by mass meetings today and the site is threatened by mass meetings today and tomorrow of mechanical workers, who are pressing for improved pay and conditions. The 1.600 mechanical workers £1.2hn. said Mr. Ferguson. at Sullom Voe have been offered a 5 per cent rise pay increase along with a productivity offer of a further 6 per cent which would hring average wages at the site up and the liquid petroleum gas to £240 for a 70-hour week.

The offer has already been accepted by the civil construc- second half of 1980. At present tion workers and the dock gas worth millions of pounds is labour force, but mechanical having to be flared offshore.

The construction work already sbould he completed hefore the weeks on and one week off.

go out of the window" if the likely to peak at 6,000 in spring An extra 400-500 men would have to be employed, but they would be constantly on leave. Civil construction work at the

aite is also threatened by the road haulage strike. Supplies of sand and cement could he exhausted in about two weeks.

The 31 oil companies involved in the project will hold their

return, it has secured a pay-

of the ship. The terminal was officially inaugurated at the weekend by grade the facilities to handle as Mr. Rohert Bruce, the Lord mncb as 2m barrels a day in the Lieutenant of Shetland.

early 1980s. This could push up the cost of the project by another £200m to more than accident there three weeks ago, he said the Shetlanders' confidence that the oil industry On the present schedule, the terminal should be ready to begin stahilising crude from the could operate without causing a mess had heen severely damaged. About 1,150 tonnes Ninian pipeline in September, of heavy hunker fuel oil was separation facilities are likely to start coming on stream in the spilled into the barbour of which 700-800 tonnes has been recovered from beaches and rocks.

News analysis, Page 4

Comecon barter deals 'could threaten jobs in the West'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

BARTER DEALS with Eastern key sectors of industry in the the East still needed much of Europe by multinational com- West but put at risk the jobs panies might put at risk the jobs of thousands of workers." of thousands of workers in the The Western European. West, including the UK, accord-market was "coming under ing to a study by the General increased assault" by imports and Municipal Workers' Union. from Comecon countries and

Tha study, in the form of a from Yugoslavia. booklet written by Mr. David Eastern Europe provided costs." Warburton, the union's national three-tenths of the Netherlands' The lotsil

Its new production capacity to satisfy internal demand. Among main obstacles to pursuing antidumping complaints against Eastern Europe was "lack of information from State-run Comecon utilities on their synthetic ru

The study ends with a call and a fifth of fo

Most pay deals now over 5% says CBI study BY JOHN ELLIOTT, INDUSTRIAL EDITOR

agreed, estimated to cost £813m

end of 1981, Mr. Mike Pattinson, MOST EMPLOYEES who are manager of the project said at Mr. Ted Ferguson, the con-struction manager, said at the now 58 per cent complete. weekend that the economics of The workforce at the terminal is. more than 5,000 and this is

> or early summer. There is a aevere shortage of accommoda-CBI's pay date hank, show that most of the 1.6m people now covered by 537 pay deas have tion, which will limit further growth, but a second accommo dation vessel is due to be moored at the Sullom Voe port in the next few weeks.

> Pollution The Shetland Islands Council rules. This means that a large haa agreed to the use of a number of deala are being struck between 5 and 10 per Swedish vessel, the Stena Baltica, which will have heds for about 350 men. But, in cent and the figures provide detailed evidence of the prob-

> lems the Government is facing. ment of £150,000 a year from The largest hatch of people exceeding the 5 per cent limit the oil companies to allow use are in a group of 1.3m covered by private sector national agreements, including five wages conncil deals, the majority of

which have, used the White Referring to the oil pollution Paper's exceptions for the low paid. deals for 320,000 workers in

company level and public sector negotiations which the CBI explains in more detail for the now signing pay deals are get-ting more than the Government's hasic 5 per cent pay first time. limit according to figures re-About 55 per cent of these workers have accepted 5 per cent or less as a basic settleleased this morning by the Confederation of British Industry. Statistics collected by the ment, hnt nearly half of them

have also negotiated pro-ductivity deals which the CBI says add an average of 5 per cent extra. exceeded the basic limit either hy using pay White Paper's exceptions for low-paid workers and productivity deals or by ignoring the White Paper's A further 10 per cent of the workers have accepted 5 to 10 per cent hasic deals, with a fifth of them taking productivity rises as well.

The remaining 35 per cent of the workers have accepted more than 10 per cent, so underlining the general level of settlements above the 5 per cent limit. A third of this last group about 30,000 workers, are put lic sector employees cashing in on special rises promised to them by the Government during the last phase of the pay policy. The data hank also reports a continuing high level of pay claims. More than a third of 270 claims for 5.5m workers recorded would increase employ-The general trend above 5 ment costs by 30 per cent or per cent is then supported by more, and a half of them want detailed information of 512 a shorter working week as well. deals for 320,000 workers in Lombard, Page 10

Big response likely to action day call

BY CHRISTIAN TYLER, LABOUR EDITOR.

rupted, schools closed and some that they had to put more cash hospital and ambulance work on the table before the promised stopped today in many parts of public-service pay inquiry could the country. start.

Unions representing nearly 1.5m low-pald manual workers expect a hig response to their call for a day of action. But a han threatened by London ambulancemen on emergency work was lifted yesterday by shop stewards. They then met Mr. David Ennals, Social Services Secretary, who agreed to look again at their case for

more pay later this week.

PUBLIC SERVICES will be dis- some employers had admitted

The extent of the militancy will become clear this week, and may determine bow far the Government yields to the private approaches to be made in the next few days.

Last night Mrs. Shirley Wil-liams, Education Secretary, appealed to unions not to dis rupt schools, already hit by the tanker-drivers' and lorry-drivers' strikes.

Can nothing shake this equity market? For the past three months the FT 30-Share Index has not strayed by more than 3 per cent either side of 480; on Friday night it closed at 478.9. During the period expectations about inflation have significantly worsened, while industry is faced with physical disruption and now the Government is trying to attack company profits once again through the Price Commission—a nasty practice which it largely gave up several years ago. But through all this, share prices have remained

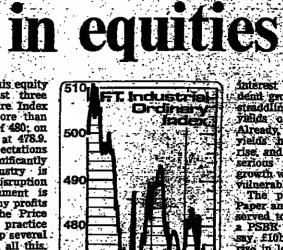
It is never very bard to find arguments why the market should rise or why it should fall. The real puzzle at present is why such a delicate balance

has heen established. It is clear why many of the big institu-tional funds are interested in huving shares at current levels. Company profits and dividends have been growing chine strongly since 1975, at a rate exceeding that of inflation. The pension funds, in particular, wish to maintain and possibly

nanics and pension finds. "Inflationary wage settlements will push onr cash flow even higher," pointed out one nationalised industry pension fund manager on Friday. Meanwhile the highly liquid

£500m in 1979, compared with

around £1.3bn in 1975. Take-over offers have also been fead-ing significant sums in cash back into the hands of shareholders;



THE LEX COLUMN

A fine balance

470 1978 Oct Nev Dec Jap

ment monetary policy. There is talk of another resort to a desperate wage and price brease. which would no doubt involve new clamps on dividends. But the equity market is behaving as might be expected of a market increasingly dominated by long-term investors. Pension fund managers are clearly reline oy long-term investors. Pension going to perform any better fund managers are clearly relue over the next five years than tant to change their buying over the last five.

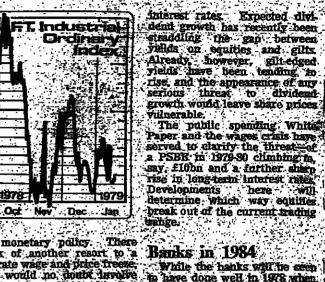
Even some of the funds with a shorter term perspective, like of gilt-edged. Above all, the a shorter term perspective, like fund managers are conscious of unit trusts, are comparatively the continual inflow of, new inactive. Dealing expenses and money-estimated in a new gains tax together mean that a review by hrokers Wood net fund has to envisage a fall-Mackenzle at £3.7on each in of 10 per cent in the market 1979 for life assurance com- before an out-and-in operation could break even. Many fund managers would have to foresee a 20 per cent fail before considering that the nisks of such. sidering that the class of such asset growth will be more pecar-an exercise to be worthwhile. Irian than of late, and that With a General Election and average base rates will be possible Conservative Govern higher than the rate of inflation, ment due any time between now Messel are far less sanguine meanwhile the highly liquid possible Conservative Govern-state of the company sector has ment due any time between now favoured the share market. New and October, few are willing to equity issues totalled only about take that kind of chance on a £500m in 1979. compared downward market break

Moreover the investment institutions have gained in the scrutiny of the Wilson Cominto the hands of shareholders; the scrittiny of the Wilson Com-axtent that domestic clearing cash outlays on acquisitions in mittee, and in the case of pea-the UK probably reached sion funds inswerable to when interest rates drop below around £700m last year (against trustees who are unlikely to be g per crit. His where the £236m in 1975). Against this buillish back, from normal investment has petered out, and the banks cloth there has until recently behavlour, their influence has bid to diversify into more been only one really insjor become stabilising rather than profitable areas will lead the bear argument — the rise in the review. As Wood Mackenzie forther rights issues interest rates. Government points out, quarter by unarter any assessment of bank shares.

to have done well in 1978 when they unveil their results next inouth, the question investors should be eaking themselves now is whether the clearers are Increase the equity proportion changes in sentiment. They are is agreed that profits in 1979 of their portfolios, after a certainly not becoming active could rise by between a fifth period in which this percentage sellers. has been reduced by purchases Even some of the funds with content of such there is no such consensus about the longer term something which is under lined by two weighty tomes recently produced by Long & Cruckshank and L. Messel L & C believe that the banks have now entered a period of relative profits ophperformance. Their confidence is based on assumptions that capital spend-ing will level off, the rate of asset growth will be more pedes about the ontlook and believe that over the medium term the growth of bank profits will be lower than for the market as a whole., They reckon that over heads have risen to such an extent that domestic clearing

200

borrowing last year sharply variations in liquidity during region ly, the key factor in forced up the level of money the past two yeas have been over the Jonger term is the rates, and the widening of the small by comparison with future level of interest rates forced np the level of money the past two yeas have been over the Jonger term is the rates, and the widening of the small by comparison with fitture level of interest rates, yield gap in favour of gilt changes in the 1974.75 period. Neverthaless the fact that the edged drained away demand. We have, then, a body of banks have not proved capable and put an effective celling on powerful fund managers whose of financing themselves even concept of value in the requiry during a period of historically. Now, further bearish possihi market is remarkably well high interest rates does not little loom. Company profits defined. What could change augur well. There is no sign could be mangled between wage their minds? The key, once that they have suddenly furned demands and a tight Govern again, is probably the level of over a new leaf.



CONTRACTORS WHO CARE

Rush

& Tompkins

of 160 contracts and transactions France's. Plastic, glass and other involving Western multinational products were also "finding chemical groups and process plant contractors in Eastern markets." Europe.

It calls for all harter agreements, known as compensation deals and process plant contracts with Comecon members to he publicised so that their loug-term effect on employment in Western Europe may be assessed.

The study says: "The crucial issue is not whether trade their domestic markets. They should take place hut whether were not making those plans " to should take place hut whether the type and size of arrange-Comecon will not only acturate immediately evident hecause vidual companies.

and international levels. products were also "finding their foothold in West Europe's At national level, banks and other financial institutions should be made to detail their

Obstacles

involvement in compensation deals. National Governments sbould then consult trade unions Eastern Europe was expected and companies as to whether these deals were prejudicial to to hecome a net exporter of polyvinyl chloride, low-density their economies and their worpolyethylene and polypropylene kers. In the UK that should be by 1982. related to the Government's Certain Comecon states planned chemical production capacities that would "saturate" industrial strategy.

drown their own populations in ments entered into between a sea of plastic." unions, through their inter-multinational corporations and The possible threat to jobs in national secretaries, should the individual member states of Western Europe was not detail plans proposed by indi-

The European Commission should establish an effective monitor on all compensation deals and plant contracts. Trade

worked out between two key

protagonists, the U.S. and the

for their decision, but said he was still gravely concerned

about future disruption. Tens of thousands of demonstrators are expected in London for a march and rally at Central Hall, Westminster. Similar rallies will he held in other

towns. "But even as preparations for the long-planned protest began there were some bopes that the ensuing campaign of selective industrial action would be

BY NICK GARNETT, LABOUR STAFF

dispute will continue this after-

noon after more than seven

hours of discussions yesterday.

Neither the Road Haulage

Association nor the two unions

whose drivers are on official

strike were prepared to divulge details of yesterday's talks, beld

under the auspices of the Ad-

visory Conciliation and Arhitra-

tion Service. Mr. Jim Mortimer, chairman

of the service, said the associa-

tion, the Transport and General

Workers' Union and the United Road Transport Union had had

that the discussions, which in- cent.

a detailed exchange of views.

Kuwait moves to free extra oil

The Army and St. John Ambulance Brigade have been short-lived. Though the Government asked to stand by in Cardiff, hoped to stick closely to its where the ambulancemen said amended wage policy for the they would not answer emer-lower-paid, unions said that gency calls.

Meeting resumes today

on lorry drivers' strike

TALKS BETWEEN employers volved Mr. Moss Evans, general and unions in the road haulage secretary of the transport dispute will continue this after- workers, and Mr. Jack Aswell,

offer.

Mr. George Newman, director pay offers, possibly up to the general of the association, said union's full demand of 23 per

"appalling threat" from some officials of the National Union Public Employees that children would he physically stopped from crossing picket

Sbe said there bad been an-

The possibility of some industrial action by water and sewage workers cannot be ruled out. despite the 14 per cent pay and productivity offer from the Water Council on Friday.

the union's transport secretary,

The Government's decision on

Friday not to use its powers

under the Prices Act to limit

higher charges in the road haulage industry has removed

a constraiot that the employers

said prevented them from improving their 15 per cent

Some regional negotiating

chairmen within the association would almost certainly be ready

now to suggest tabling higher

had been exploratory.

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If you're looking for a way into Japan. keep Sanwa Bank in mind. We offer an exceptionally ateady growth record, all the strength and experience of a long-established boma base, plus a freshness of approach to international banking that is reflected throughout our overseas network. We look forward to dealing with you.

FINANCIAL HIGHLIGHTS (March 31, 1978)

of YEN AT THE YEAR END Deposits Loans and Bills 7,694,361 POR THE YEAR ENDED 572.739 Operating Expanses 2,67 Operating Profits (Before Tax)

Man amounts are converted into D.S. dollar of W222.35 as of Merch 31, 1978)

Third bid for wheat agreement BY JOHN EDWARDS, COMMODITIES EDITOR But a compromise deal

A THIRD ATTEMPT to negotiste a new international wheat agreement aimed at controlling world prices begins in Geneva today.

The aim of the three-week talks is for countries exporting and importing wheat to agree on stabilising prices by regulating supplies coming on to the marks This would be done by

building nationally-held res-

erve stocks in times of surplus supplies, such as now, to be released in time of shortage.

conferences and many other meetings last year failed to resolve differences hetween exporting and importing countries on price ranges, size of reserve stocks and who would foot the bill for carrying surpluses.

EEC, has raised hopes for a Two full-scale negotiating successful outcome of the present conference, though it is by no means a foregone conclusion

Adding pressure for an agreement is that the negotiation of a wheat pact is closely linked with the wider multilateral trade negotiations. It is claimed that a deal on agricultural issues, including wheat, is required before agreement can be reached on

industrial goods.

Weather

UK TODAY

CLOUDY, aome sleet and snow. London, S.E., Cent. S., Channel Is., S.W. Cloudy, sleet and snow. Max.

3C (37F). E. Anglia, E. Midlands Dry, dull and misty. Max. 3C (37F)

N.E. England, Borders,

BUSINESS CENTRES

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Cardiff S 4 39 Prague (Chicago C -3 27 Reykjvk, S	C -5 23	Cape T. S 21 70 Nairobi R Corfu S 12 54 Naplas R
Cologna C -2 28 Rio J'o F	S -4 23 24 75	Cape T. S 21 70 Nairobi R Cortu S 12 54 Naptes R Obrynk, C 10 bC Nica C Fato C 17 63 Oporto R Florence C 6 43 Rhodes S Funchal R 15 Salabag, Sa-
Configo, So – 7 28 Boma F	R. 10 50	Obrvnk, C 10 sC Nica C
Oublin S 7 45 Singapr. S	5 21 88	Faso C 17 53 Oporto R Florence C 6 43 Rhodes S
Ednogh. S 4 39 Stekhm. C Frankit. C -3 27 Straby. F	-3 27	Florence C 6 43 Rhodes S Funchal R 15 59 Salzbrg, Sn-
Frankit, C -3 27 Straba.	g - 1 30	Gibritr. R 15 59 Tangier C
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Glaegow S 5 41 Tehran S Helsinki C-11 12 Tokyo C	6 42	G'may S 7 45 Tenerile F Innabrt, C 4 39 Tunie F
	12 54 n-7 18	Invmss. C 4 39 Valencia R
Jo'burg S 26 78 Vienna C	-3 27	Istanbul R 2 36 Venice Sn
Liabon C 10 50 Warsw Sr	-12 10	C-Cloudy. F-Fair. Fg-Fog. R-
London Fg 1 34 Zurich C		S-Sunny, Sn-Snow,

:**1**.

Edinburgh, Dundee Freezing fog. Mainly dry. Max. 3C (37F).

W. Midlands, Wales, N.W. and Cent. N. England, Is. of Man, S.W. Scotland, Glasgow Freezing fog. Cloudy. Max. 3C (37F).

Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland Cloudy. Some rain. Max. 3C (37F).

Rest of Scotland N. Ireland Dry 0F). and sunny. Max. 5C Outlook: Sleet or snow in

th. Dry elsewhere.

short-term contracts with three been lifting the maximum they of the Iran Consortium meme- are allowed under their conbers for 40,000 barrels a day tracts with Kuwait but each of Kuwait 31 API cruda Although the amount would

not seriously dent the shortfall of about 5m b/d caused by the Iran crisis, it could encourage other OPEC countries to start lobbied the Knwait Oil Ministry supplying extra oil. The consortium members, tive in the Gulf, because the Shall, BP and Gulf, are also countries don't want to be seen Kuwait's three higgest cus- to be taking advantage of Iran's tomers. BP has a 40 per cent troubles. One oil company offi- concessionaries in Kuwait, get share in the Consortium and cial said he thought the issue a 15 cent a harrel discount under also a contract to lift a so "politically hot" that Kuwait their regular contract with maximum of 504,000 bd of wouldn't sell more crude to Kuwait. Shell, as a large lifter. Kuwait crude a quarter, Shell make up for Iran.

But the arrival in Kuwait, this has a 14 per cent share in the Consortium and a contract to week of Sir David Steel, chair- clude these benefits.

lift a maximum of 575,000 hd. national Trading Company, All three companies have fuelled speculation that a new deal might ba raised in the Supreme Petroleum Council. Under the deal Kuwait would desperately need more crude. sell the companies 40,000 bds of They have already told their

Kuwait 31 API crude under customers that the Iran disrupseparate one-year contracts, with tion will cut back deliveries. several conditions: the price Since November representawould be tha official OPEC price tives of the companies have of \$12.83 a barrel, credit would

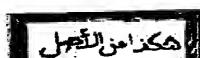
be on the official 60-day period, to no avail. The issue is sensiand the crude would have to be transported by Kuwaiti tankers. BP and Gulf, as the former

> gets 15 extra days of credit. The special contracts would not in-

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KUWAIT, which for months bas lift a maximum of 405,000 bd of man of BP, and Mr. Paul refused to sell any extra crude Kuwait crude. Gulf has a 7 per Skinner, head of government oil to compensate for the short- cent share and a contract to acquisitions for Shell Interages cansed by the crisis in Iran, is considering signing special,

BY LESLIE MITCHELL IN KUWAIT

HOLIDAY RESORTS